

STAYING OUT OF LEGAL TROUBLE:

TEN COMMANDMENTS FOR WEBMASTERS AND OPERATORS

Brought to you by *INTERNET LAW COMPLIANCE SYSTEM: HOW TO BULLETPROOF YOUR WEBSITE IN 60 MINUTES OR LESS* available through <http://loopbiz.com/InternetLawCompliance.html>

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COMMANDMENT #1: Always have a Terms of Use agreement. It should be hyperlinked from the bottom of each webpage. This is especially important since the Child Online Privacy Act came into effect. A great Terms of Use agreement, fully licensed for your use, comes with the book **With INTERNET LAW COMPLIANCE SYSTEM: BULLETPROOF YOUR WEBSITE IN 60 MINUTES OR LESS** available at <http://loopbiz.com/InternetLawCompliance.html>

COMMANDMENT #2: Always have a Privacy Policy – even if it just says a few lines about what you do with information you collect. Be aware that many of the internet delivery systems you use may collect digital information unbeknownst to you. You should not make your Privacy Policy too restrictive since you might find yourself violating it unwittingly. A great Privacy Policy, fully licensed for your use, comes with the book **With INTERNET LAW COMPLIANCE SYSTEM: BULLETPROOF YOUR WEBSITE IN 60 MINUTES OR LESS** available at <http://loopbiz.com/InternetLawCompliance.html>

COMMANDMENT #3: All sales to website viewers require a Purchase Agreement and Disclaimer that sets out the rights and obligations of buyer and seller. The positioning of this and the wording is extremely important. A great Purchase Agreement and Disclaimer, fully licensed for your use, comes with the book **INTERNET LAW COMPLIANCE SYSTEM: BULLETPROOF YOUR WEBSITE IN 60 MINUTES OR LESS** available at <http://loopbiz.com/InternetLawCompliance.html>

COMMANDMENT #4: Be cautious with “Income Claims” in your sales copy where your sales pitch is based in part on someone being able to make income when they buy your product. You need to specifically advise that not everyone will make money.

COMMANDMENT #5: Be cautious with “Results Claims” in your sales copy where you claim that your product will deliver specific results. You must also advise that it will not deliver the same results to everyone and may not deliver any results to some.

COMMANDMENT #6: Be cautious with “Earnings Claims” in your sales copy where your sales pitch is based on your own financial success or the success of others who have bought the product. You must also tell folks that not everyone will make money and you do not claim the results to be ‘average.’

COMMANDMENT #7: Never give misleading or deceitful information on your website and never use such information to promote a product or service. You may well end up in prison if you do.

COMMANDMENT #8: Be very careful with all information that you do not mistakenly give erroneous information. You should always advise your

customers or visitors that they accept all responsibility for harm caused by bad information.

COMMANDMENT #9: Do not promote pyramid schemes, Ponzi schemes, or chain letter schemes on your website. They are all illegal. Sometimes they are hard to spot, even for professionals.

COMMANDMENT #10: Do not promote 'cures' for anything. The fact that it may cure a disease or problem may be true. But you must remember that nothing is true in all cases. A tremendously successful modern drug that works for 80% of cases is practically a miracle. Therefore, nothing except a miracle is a cure. Besides never using the word 'cure' (which is an FTC hot-button), you must advise folks that your treatment plan or supplement plan will not work for everyone – and, of course, advise them that they should only do anything after consulting with a physician or other healthcare professional.

Additional information on all these subjects and many others, as well as forms you should be using (fully licensed for your use) can be found in the book **INTERNET LAW COMPLIANCE SYSTEM: BULLETPROOF YOUR WEBSITE IN 60 MINUTES OR LESS** available through <http://loopbiz.com/InternetLawCompliance.html>

This information should not be construed as professional legal advice or a substitution for review of your personal situation by a competent attorney well versed in internet law as it relates to the FTC and other regulatory agencies. Consider this just the opinion of a couple of bright guys who are lawyers and are successful internet entrepreneurs.

*Advice about how law enforcement and regulatory agencies deal with problems and what you can do about it is discussed in detail in **INTERNET LAW***

COMPLIANCE SYSTEM: BULLETPROOF YOUR WEBSITE IN 60 MINUTES OR LESS available through <http://loopbiz.com/InternetLawCompliance.html>

INTERNET LAW COMPLIANCE SYSTEM: BULLETPROOF YOUR WEBSITE IN 60 MINUTES OR LESS provides the straightforward explanations and answers for the legal issues facing webmasters, and basic forms that meet these basic requirements. The requirements listed above are not just a good idea. They are the law. If you do business online, you must comply with them. Don't put off dealing with these issues. Get your business set up correctly now.

To order, or get more information, go to
<http://loopbiz.com/InternetLawCompliance.html>

Internet Law Compliance:
How To *Bullet Proof* Your Website In 60 Minutes Or less
Shawn Casey and Jack Campitelli

SHAWN: Hi this is Shawn Casey, I'm here with my good friend Jack Campitelli. We are the attorneys who have created **INTERNET LAW COMPLIANCE SYSTEM: HOW TO BULLETPROOF YOUR WEBSITE IN 60 MINUTES OR LESS**. And we'll be talking about the contents of this program in a few minutes, but what we want to do is share with you today some of the information so that you're aware of what's required as a webmaster doing business online – if you have a website, what are the legal requirements that you need to meet in order to comply with the law, as set forth in lots of different regulations and rules here in the U.S., what's required to help meet the FTC guidelines, and furthermore, some things that are a really good idea, in fact, they're such good ideas that just about should be required.

To give you an idea of our backgrounds, if you're not familiar with me in particular, I've been marketing very heavily online for the last five years, and I have created more than 100,000 customers. The signature product that I have is called **Mining Gold on the Internet** – you can find that at <http://loopbiz.com/MiningGold.html> - that e-course has sold more than 85,000 copies at the time of this recording, it's still going strong every month, and so that plus being an attorney, I think makes me uniquely qualified to talk about the subject. I asked Jack Campitelli to help me with this because he and I have great experience working together in teaching some different training seminars in the areas of tax planning and asset protection and some other legal structuring that we do for different people. And I brought him on board with this because I needed someone who

could help carry the load with creating all of this, and so I want to welcome Jack to this conference.

JACK: Thanks Shawn.

SHAWN: So what we've done is put together the Ten Commandments for webmasters and operators, and hopefully you have that document in front of you – if not, you can download it and print that out – and it will give you a good idea of the things that you're required to meet, and if nothing else, you can take this to your lawyer and say, "I need this stuff". But we want to just briefly go down and talk about each requirement so you know what the rules are that you need to follow. And so Jack, commandment number one, it says here, "Always have a terms of use agreement". What's a terms of use agreement?

JACK: It's an agreement, Shawn, that is supposed to be available for anyone who visits your website, that basically lays out the conditions and the rights that a visitor or viewer has when looking at your website. And it can be whatever you want it to be, but it's a required document, and it's really important that the terms of use also deal with who can and cannot visit the website, and that, in effect, deals with a new legislation (it's just a few years old) that 99% of websites have never dealt with -- and that's something called the Child Online Privacy Act.

SHAWN: Right. And the Child Online Privacy Act, as I understand it, means that if you're collecting information from visitors, which virtually all websites do, and children come to your website at all, whether you advertise to them or not, you have to do certain things to comply with that law, or face significant penalties, which many major corporations have found out the hard way about it – sooner or later,

some of us little guys are also going to be finding out about, as the government seeks to enforce that law, and it's a very serious law, there are some simple solutions, and you need to look into those.

JACK: Yes, there are some very simple things that you can do to deal with it, which we talk about in our book.

SHAWN: Commandment number two says, "Always have a privacy policy". What is a privacy policy?

JACK: It basically describes to people what you, the website owner/operator, are going to do with information that you collect. Those of use who aren't as well-versed with software as others just don't know that there's an awful lot of information that's collected automatically when someone visits your website that you might not even know about unless you go looking for it. But you still, nonetheless, have to say what you're doing with that kind of information -- let alone the information that comes to you when someone subscribes to a newsletter, or sends you an email. These are all things where you collect data and you are duty-bound to disclose to a visitor what you plan on doing with that information.

SHAWN: Okay, great. Commandment number three talks about having a purchase agreement and disclaimer. Now these are not necessarily a legal requirement, but they're an awfully good idea to have.

JACK: They're an essential idea to have, Shawn. I mean, you and I have both practiced law, and we know that this is exactly the moment when things can start to get bad, at the moment of purchase. And, you know, obviously you've collected money, so things are getting

good for you, but if trouble is going to happen, it happens right here at this junction where a contract is formed between you and a buyer.

SHAWN: Right. And one of the things about the purchase agreement is this – it sets forth the rights and responsibilities of the customer, it sets forth the rights and responsibilities of the website owner. So as I'm making a sale, it sets out what I've agreed to do, maybe what I haven't agreed to do, it limits the liability of the website owner to certain occurrences or things that might occur, so that you don't have unlimited liability if somebody uses something that they have purchased incorrectly, it can and usually does contain a license agreement if there's an agreement that allows someone to use something like a piece of software. For instance, most people are probably familiar with installing software on their computer, or signing up for their ISP service – there's a purchase agreement, there's a license agreement that goes with that that sets out the rules, and these are very common, it's just that the average person doesn't normally use these, they're not aware of them. All the big companies with the huge legal staffs, of course, already have all this stuff in place. And so, this is a very good idea where you're going to collect money, to set forth the rules so that it's, everybody knows what the deal is and we have a clear understanding of what your commitment is, what your refund policy is, etc.

JACK: You know, I might point out, Shawn, and I realize it's self-serving, but **Internet Law Compliance** has developed a purchase agreement that is one of the best in the industry -- as far as the kind of protection that it offers someone right out of the can.

SHAWN: Sure, and I agree. Commandment number four talks about income claims and how we need to be cautious of those. And then we have actually three different kinds of claims that get made, and we ought to talk about all of them, but let's lump together commandments number four and six, which talks about income claims and earning claims.

JACK: Okay. And Shawn, if anyone's got experience with this stuff, you do.

SHAWN: Okay.

JACK: What have you learned to help folks here?

SHAWN: Well here's the deal – if you're going to have a product that is geared towards helping people make more money, whether it's increase their marketing, it's an opportunity for them to go into business, it's a multi-level marketing company, it's simply a product that you're selling that's an e-book or a membership service. And if you're doing these things and you have claims in there that say you've made a lot of money doing this, that other people have made a lot of money doing this, that there are testimonials from customers, which are great marketing devices, you are required by the government regulations, by the FTC rules, to add certain language in here to qualify and limit those testimonials and those claims that people can earn certain amounts of money or receive a certain level of income. And the lack of these is absolutely grounds for the FTC to come in and to sue your business, fine your business, put your business out of business, and do lots of things which you'll find very, very unpleasant. And it's very important that you understand how to deal with these situations. It's not that you cannot make these claims, but you not only need to make sure that they're true and honest and you can support them, but that you have

properly set up your language on your website to deal with the legal disclosure requirements.

JACK: Of course, we do that in our book.

SHAWN: Yeah, once again, all this stuff is explained in the book and how to do that.

JACK: And what oftentimes folks don't understand, Shawn, is, and you know, God knows I didn't at the beginning of my adventures in the internet, but that there really do exist folks out there who will buy your product, who will never open it, who will never try it. And as you know, no matter how simple you think this product is to make money, or to save money, the fact is that there exists a group of people who will not succeed at it, and who will probably not even try to succeed at it, and you need to somehow make sure that those folks, the existence of those folks, is described in your advertising copy. It's actually not tough to do at all if you're a clever copywriter.

SHAWN: Right. Now the next thing we're going to talk about is commandment five: results claims and results claims apply to a variety of products, not just how to make money, but diet products, or many other products, have results claims – that by using this, following this plan, taking this pill, whatever it might be, that certain things are going to occur. And once again, you need to be careful in your explanation of these that you're completely accurate, and furthermore, you need to have certain disclaimer and disclosure language, as required by the FTC, as part of your website so that you have a clear and fair presentation to the consumer. Now commandment number seven, and this should be obvious, Jack.

JACK: It should be, but oftentimes it's not.

SHAWN: So let's be quick, commandment number seven is "Never give misleading or deceitful information on your website and never use it to promote a product or service". And I want to talk about this for a second – you have to be careful, not only that you don't intentionally mislead or deceive, but that you don't unwittingly or unknowingly or just innocently mislead, and so you need to be careful in what you've written, and furthermore, you need to be careful in the programs that you are promoting online because if you're going to go out there and promote different things, you need to make sure that they all comply with all of these rules that were talked about. If you promote a program that does not comply with the things that we're talking about here on the Ten Commandments, then you run the risk of being involved in whatever action that regulatory agencies choose to take.

JACK: Absolutely, and the Federal Trade Commission, you know, has pretty clear guidelines now that anyone who joint ventures or advertises a product has some level of responsibility to check it out; and even someone who basically writes advertising copy for a product has a clear duty to have some reason to believe that the claims are true.

SHAWN: Right. And even the other night I had dinner out in Kansas City with a friend of mine who does a lot of online promotion and often runs ads to a very large mailing list for other companies, and he said it's not uncommon for the Kansas Attorney General to call him up and say, "Hey we saw the ad that you've done for this company in here, and we have a problem with it." I mean, this stuff is getting

looked at, and you want to be careful of what you're involved in and how you're doing stuff. Commandment number eight is "Be careful that you do not mistakenly give erroneous information". And this really kind of goes along with commandment number seven, but it's also the fact that if you're running a forum, if you have other people that are adding information content to your website, you can be held responsible for what they're adding to your website, and so you want to be careful about your liability there, that you're not getting stuck and being responsible that someone puts up something on that website and other people believe that it's true and go out and follow that advice, and it's bad advice.

JACK: And so in general, we covered that in two ways, Shawn – one in the terms of use, which gets the casual visitor to agree that, you know, well not to rely on this information as one of the conditions of his viewing the site, and again, if they've bought something, in the purchase agreement.

SHAWN: I was going to say, let's move on to commandment number nine. Now, oftentimes, and you might accidentally do this, but you need to be watching out that you're not promoting a pyramid scheme, a Ponzi scheme, or chain letter scheme – these are all illegal. The FTC has recently taken the position, for example, that if you sell an e-book and you sell the resell rights to that e-book, so somebody who buys it can sell it to other people, that if they consider that the primary purpose of you selling this book is to sell it to other people so they can sell it to other people so they can sell it to other people, and that's how they're all going to make money, that that is in their terms of chain marketing scheme, which is, under their rules, illegal. And they will come in and get very nasty about the whole thing. It's not that selling resell rights is illegal, wrong, against the

law, inherently bad, or anything else, but it all depends upon the intent of your marketing plan and the way in which you're presenting the product. And last but not least, Jack, I want you to talk about commandment number ten.

JACK: Sure. If you're involved in selling any type of a product, call it a vitamin supplement, anything -- you know, the copper wrist bracelet, anything that supposedly has health benefits associated with it, you need to be careful. And for Gosh sake, never use the word "cure" in anything that you do -- nobody can use the word "cure". And unfortunately, I still see it. I hear it on television. I actually see it in copy on the internet -- it's just an absolute no-no.

SHAWN: That's right. Unless you happen to be a large drug company with lots of lawyers on your staff and lots of clinical trials, and approval by the FDA that you're allowed to say this, don't say it.

JACK: And just to be real clear, all the major pharmaceutical companies that have all those claims, never say this.

SHAWN: That's right.

JACK: That's right, because this is a hot button. You'd better be right if you use it.

SHAWN: And that really concludes this. Now let me tell you briefly - this is not to scare you, we don't want you to go, "Oh my God, I can't do business online" -- instead, we want to make sure you're aware of these rules because they are easy to take care of, they're easy to meet these requirements, it's not hard at all. We've put together a tremendous product in the **INTERNET LAW COMPLIANCE SYSTEM: HOW TO BULLETPROOF YOUR WEBSITE IN 60 MINUTES OR LESS**, that not only contains a complete explanation

of all this information, but has forms that you could take and use that will cover most of your situations that you're going to meet, and if you need specific crafting of documents that would meet your specific needs, then this is a great place to start because you can take these to your lawyer and have him work from these documents that we have carefully crafted, based upon our extensive experience with the law and internet marketing. That's it Jack, I want to thank you for taking the time today to put this together.

JACK: Always enjoyable, Shawn.

SHAWN: And we just want to refer people back – if you go to <http://loopbiz.com/InternetLawCompliance.html> - you can get further information about this tremendous product that is absolutely a requirement if you're going to do business online. We wish you all the success in your business.

JACK: We do.

SHAWN: This has been Shawn and Jack – good luck.