



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Andrew Beckman
State of Missouri

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Beckman:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 Commission should also take action against Microsoft Corp. for its sponsorship of the advertising campaign at issue in the Commission's proposed complaint against Respondent Machinima, Inc. The Commission appreciates your concern about holding companies responsible for deceptive online advertising that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with Section 5. In a closing letter available at https://www.ftc.gov/system/files/documents/closing_letters/nid/150902machinima_letter.pdf, Commission staff explain why they closed the investigation as to Microsoft. The Commission may always take action in the future against companies that engage in deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Devon Belgard
State of Oregon

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Belgard:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern about the advertising practices of Respondent Machinima, Inc., and you indicate your belief that Machinima should be fined for its conduct. You also suggest that Machinima should be required to make a public apology.

The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its influencers are aware of their responsibility to make required disclosures, requires Machinima to monitor its influencers' representations and disclosures, and prohibits Machinima from compensating influencers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission believes that the complaint and proposed order will provide other online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with the FTC Act.

Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Brown
State of Illinois

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern about the advertising practices of Respondent Machinima, Inc. You indicate your belief that Machinima misled consumers by failing to disclose that its influencers were compensated for posting video reviews, and that the individuals responsible should be subject to criminal prosecution.

The Federal Trade Commission is a civil agency and does not have authority to criminally prosecute individuals for violations of the FTC Act. The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its influencers are aware of their responsibility to make required disclosures, requires Machinima to monitor its influencers' representations and disclosures, and prohibits Machinima from compensating influencers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). The proposed order also requires Machinima to submit to monitoring by the Commission for the next twenty years.

In light of these considerations, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. It helps the Commission's analysis to hear from a variety of sources in its work, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



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Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Nick Childers
State of California

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Childers:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that other online advertisers, and in particular video game advertisers, may be engaging in similarly deceptive conduct as that alleged in the Commission's proposed complaint against Respondent Machinima, Inc. The Commission shares your concern about deceptive online advertising that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with Section 5. Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



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Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Cole Ciervo
State of Maryland

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Ciervo:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern about the advertising practices of Respondent Machinima, Inc. You indicate your belief that Machinima misled consumers by failing to disclose that its influencers were compensated for posting video reviews.

The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its influencers are aware of their responsibility to make required disclosures, requires Machinima to monitor its influencers' representations and disclosures, and prohibits Machinima from compensating influencers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission believes that the complaint and proposed order will provide other online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with the FTC Act.

Your comment does not propose any revisions to the draft complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



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Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Derek Drews
State of Nebraska

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Drews:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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.

In your comment, you express concern about the advertising practices of Respondent Machinima, Inc. You indicate your belief that Machinima misled consumers by failing to disclose that its influencers were compensated for posting video reviews.

The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its influencers are aware of their responsibility to make required disclosures, requires Machinima to monitor its influencers' representations and disclosures, and prohibits Machinima from compensating influencers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission believes that the complaint and proposed order will provide other online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with the FTC Act.

Your comment does not propose any revisions to the draft complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



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Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Ryan Everett
State of Alaska

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Everett:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern about the advertising practices of Respondent Machinima, Inc. You indicate your belief that Machinima misled consumers by failing to disclose that its influencers were compensated for posting video reviews, and that Machinima should be fined for its conduct.

The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its influencers are aware of their responsibility to make required disclosures, requires Machinima to monitor its influencers' representations and disclosures, and prohibits Machinima from compensating influencers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission believes that the complaint and proposed order will provide other online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with the FTC Act.

Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Kyle Fabricius
State of Ohio

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Fabricius:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses general support for the Commission's action, and your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Richard Fairchild
State of Mississippi

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Fairchild:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that some online reviews fail to disclose the fact that the reviewer has received compensation in exchange for the review. The Commission shares your concern about deceptive online paid endorsements that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers with additional guidance on how to ensure that online endorsements comply with Section 5. The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its endorsers are aware of their responsibility to make required disclosures, requires Machinima to monitor its endorsers' representations and disclosures, and prohibits Machinima from compensating endorsers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources in its work, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2016

Fred Garcia
State of New Mexico

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Garcia:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that other online advertisers, and in particular video game advertisers, may be engaging in similarly deceptive conduct as that alleged in the Commission's proposed complaint against Respondent Machinima, Inc. The Commission shares your concern about deceptive online advertising that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with Section 5. Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Hans
Outside the United States

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses general support for the Commission's action, and your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Philip Heebsh
State of Texas

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Heebsh:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that some online reviews fail to disclose the fact that the reviewer has received compensation in exchange for the review. The Commission shares your concern about deceptive online paid endorsements that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers with additional guidance on how to ensure that online endorsements comply with Section 5. The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its endorsers are aware of their responsibility to make required disclosures, it requires Machinima to monitor its endorsers' representations and disclosures, and it prohibits Machinima from compensating endorsers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources in its work, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Brian Heil
Commonwealth of Kentucky

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Heil:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 discusses the influence that the advertising campaign conducted by Respondent Machinima, Inc., had on your decision to purchase an Xbox One gaming console. You indicate that you were deceived by the failure of Machinima's influencers to disclose that they were being paid to promote the Xbox One.

The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its influencers are aware of their responsibility to make required disclosures, requires Machinima to monitor its influencers' representations and disclosures, and prohibits Machinima from compensating influencers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission believes that the complaint and proposed order will provide other online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with the FTC Act.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Joseph Julian
State of Washington

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Julian:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 letter expresses concern about deceptive advertising online. The Commission shares your concern about deceptive online paid endorsements that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers with additional guidance on how to ensure that online endorsements comply with Section 5. The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its endorsers are aware of their responsibility to make required disclosures, requires Machinima to monitor its endorsers' representations and disclosures, and prohibits Machinima from compensating endorsers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources in its work, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Lubin
State of New Jersey

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Sir or Madam:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that other online advertisers, and in particular video game advertisers, may be engaging in similarly deceptive conduct as that alleged in the Commission's proposed complaint against Respondent Machinima, Inc. The Commission shares your concern about deceptive online advertising that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with Section 5. Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

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Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Christopher Marquard
State of Oregon

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Marquard:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that some online reviews fail to disclose the fact that the reviewer has received compensation in exchange for the review. The Commission shares your concern about deceptive online paid endorsements that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers with additional guidance on how to ensure that online endorsements comply with Section 5. The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its endorsers are aware of their responsibility to make required disclosures, requires Machinima to monitor its endorsers' representations and disclosures, and prohibits Machinima from compensating endorsers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Marriott
Outside the United States

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern about the advertising practices of Respondent Machinima, Inc. You indicate your belief that Machinima should be fined for its conduct and that it should be required to post public apologies.

The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its influencers are aware of their responsibility to make required disclosures, requires Machinima to monitor its influencers' representations and disclosures, and prohibits Machinima from compensating influencers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission believes that the complaint and proposed order will provide other online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with the FTC Act.

Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Luis Eduardo Guedes Martins
Outside the United States

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Martins:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that other online advertisers, and in particular video game advertisers, may be engaging in similarly deceptive conduct as that alleged in the Commission's proposed complaint against Respondent Machinima, Inc. The Commission shares your concern about deceptive online advertising that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with Section 5. Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Anthony Marvin
State of Ohio

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Marvin:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that other online advertisers, and in particular video game advertisers, may be engaging in similarly deceptive conduct as that alleged in the Commission's proposed complaint against Respondent Machinima, Inc. The Commission shares your concern about deceptive online advertising that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with Section 5. Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



Office of the Secretary

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

March 16, 2015

Mayeaux
State of Louisiana

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses general support for the Commission's action, and your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2016

McDowell
State of Louisiana

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Sir or Madam:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 consumers either knew or should have known that the influencer videos published by Respondent Machinima, Inc., were paid endorsements, and that the Commission should therefore not take any action against Machinima.

The Commission has a Congressional mandate to enforce Section 5 of the Federal Trade Commission Act, which prohibits deceptive acts or practices in or affecting commerce. In the context of endorsements, the failure to disclose a material connection between a paid endorser and an advertiser is a deceptive omission that violates Section 5 if it is likely to mislead consumers acting reasonably under the circumstances. In this case, the Commission believes that many consumers, acting reasonably, would have been deceived by Machinima's failure to disclose the material connection between its influencers and Microsoft. Indeed, comments submitted to the Commission by other individuals confirm that consumers were, in fact, deceived.

Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Greg Moss
Outside the United States

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Moss:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that other online advertisers, and in particular video game advertisers, may be engaging in similarly deceptive conduct as that alleged in the Commission's proposed complaint against Respondent Machinima, Inc. The Commission shares your concern about deceptive online advertising that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with Section 5. Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Donald Nesbitt
Commonwealth of Virginia

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Nesbitt:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern about the advertising practices of Respondent Machinima, Inc. You also indicate your belief that Machinima should be fined for its conduct.

The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its influencers are aware of their responsibility to make required disclosures, requires Machinima to monitor its influencers' representations and disclosures, and prohibits Machinima from compensating influencers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission believes that the complaint and proposed order will provide other online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with the FTC Act.

Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Ryan Pearson
Outside the United States

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Pearson:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern about the advertising practices of Respondent Machinima, Inc. You indicate your belief that Machinima misled consumers by failing to disclose that its influencers were compensated for posting video reviews, and that strong action is warranted.

The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its influencers are aware of their responsibility to make required disclosures, requires Machinima to monitor its influencers' representations and disclosures, and prohibits Machinima from compensating influencers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission believes that the complaint and proposed order will provide other online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with the FTC Act.

Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Tina Perez
State of Colorado

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Ms. Perez:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 discusses the influence that the advertising campaign conducted by Respondent Machinima, Inc., had on your decision to purchase an Xbox One gaming console. You indicate that you were deceived by the failure of Machinima's influencers to disclose that they were being paid to promote the Xbox One.

The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its influencers are aware of their responsibility to make required disclosures, requires Machinima to monitor its influencers' representations and disclosures, and prohibits Machinima from compensating influencers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission believes that the complaint and proposed order will provide other online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with the FTC Act.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

José Luis Pimentel
Outside the United States

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Pimentel:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that other online advertisers, and in particular video game advertisers, may be engaging in similarly deceptive conduct as that alleged in the Commission's proposed complaint against Respondent Machinima, Inc. The Commission shares your concern about deceptive online advertising that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with Section 5. Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Potter
State of Arizona

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 express concern about the advertising practices of Respondent Machinima, Inc. You indicate your belief that Machinima misled consumers by failing to disclose that its influencers were compensated for posting video reviews.

The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its influencers are aware of their responsibility to make required disclosures, requires Machinima to monitor its influencers' representations and disclosures, and prohibits Machinima from compensating influencers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. 1.98(c). Further, the Commission believes that the complaint and proposed order will provide other online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with the FTC Act.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Sanders
State of California

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that other online advertisers, and in particular video game advertisers, may be engaging in similarly deceptive conduct as that alleged in the Commission's proposed complaint against Respondent Machinima, Inc. The Commission shares your concern about deceptive online advertising that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with Section 5. Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Sorensen
Outside the United States

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses your belief that Respondent Machinima, Inc., should be fined for its deceptive conduct, and that it should have to place a public apology in front of every video it produces for the next six months.

The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its influencers are aware of their responsibility to make required disclosures, requires Machinima to monitor its influencers' representations and disclosures, and prohibits Machinima from compensating influencers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission believes that the complaint and proposed order will provide other online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with the FTC Act.

Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

MacKenzie Stein
State of Nebraska

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that other online advertisers, and in particular video game advertisers, may be engaging in similarly deceptive conduct as that alleged in the Commission's proposed complaint against Respondent Machinima, Inc. The Commission shares your concern about deceptive online advertising that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with Section 5. Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Tudhope
Outside the United States

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that other online advertisers, and in particular video game advertisers, may be engaging in similarly deceptive conduct as that alleged in the Commission's proposed complaint against Respondent Machinima, Inc. The Commission shares your concern about deceptive online advertising that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with Section 5. Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Cory Welsh
Outside the United States

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Welsh:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern about the advertising practices of Respondent Machinima, Inc. You indicate your belief that Machinima misled consumers by failing to disclose that its influencers were compensated for posting video reviews.

The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its influencers are aware of their responsibility to make required disclosures, requires Machinima to monitor its influencers' representations and disclosures, and prohibits Machinima from compensating influencers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission believes that the complaint and proposed order will provide other online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with the FTC Act.

Your comment does not propose any revisions to the draft complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Thomas White
State of North Carolina

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. White:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that other online advertisers, and in particular video game advertisers, may be engaging in similarly deceptive conduct as that alleged in the Commission's proposed complaint against Respondent Machinima, Inc. The Commission shares your concern about deceptive online advertising that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers, including video game advertisers, with additional guidance on how to conduct online advertising campaigns, including influencer campaigns, that comply with Section 5. Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2016

Sean Windley
Commonwealth of Virginia

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Dear Mr. Windley:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 consumers either knew or should have known that the influencer videos published by Respondent Machinima, Inc., were paid endorsements, and that the Commission should therefore not take any action against Machinima.

The Commission has a Congressional mandate to enforce Section 5 of the Federal Trade Commission Act, which prohibits deceptive acts or practices in or affecting commerce. In the context of endorsements, the failure to disclose a material connection between a paid endorser and an advertiser is a deceptive omission that violates Section 5 if it is likely to mislead consumers acting reasonably under the circumstances. In this case, the Commission believes that many consumers, acting reasonably, would have been deceived by Machinima's failure to disclose the material connection between its influencers and Microsoft. Indeed, comments submitted to the Commission by other individuals confirm that consumers were, in fact, deceived.

Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Secretary

March 16, 2015

Woodard
State of Arizona

Re: *In the Matter of Machinima, Inc.*, File No. 142 3090, Docket No. C-4569

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced 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 expresses concern that some online reviews fail to disclose the fact that the reviewer has received compensation in exchange for the review. The Commission shares your concern about deceptive online paid endorsements that may violate Section 5 of the Federal Trade Commission Act.

The Commission believes that the complaint and final order against Machinima will provide online advertisers with additional guidance on how to ensure that online endorsements comply with Section 5. The proposed order against Machinima contains strong protections for consumers that will ensure Machinima and its influencers make appropriate disclosures in the future about compensation for any endorsements they make. Specifically, the proposed order requires Machinima to ensure that all of its endorsers are aware of their responsibility to make required disclosures, requires Machinima to monitor its endorsers' representations and disclosures, and prohibits Machinima from compensating endorsers who make misrepresentations or fail to make required disclosures. If Machinima violates any term of the proposed order, it may be liable for civil penalties of up to \$16,000 per violation, or up to \$16,000 per day in the case of continuing violations as provided by Section 5(l) of the FTC Act, 45 U.S.C. § 45(l), as adjusted by 16 C.F.R. § 1.98(c). Further, the Commission may always take future action against other companies for similarly deceptive advertising practices.

Your comment does not propose any revisions to the proposed complaint or the consent agreement. Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order against Machinima in final form without modification. The final Decision and Order and other relevant materials are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources in its work, and we thank you again for your comment. To the extent you would like to provide further information about specific industry practices that you believe are unlawful, we encourage you to file a complaint with the Commission's Consumer Response Center. Complaints filed with the Commission are part of the Consumer Sentinel database and provide an important source of information for the Commission and hundreds of other federal and state law enforcement agencies. You may file a complaint at <https://www.ftccomplaintassistant.gov/>.

By direction of the Commission.

Donald S. Clark
Secretary