Trext Details: Texting Best Practices, Legality and Security[1]

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I. Texting Best Practices

(Based on research from CTIA, Cellular Telecommunications Industry Association)

Best Practices for Getting Subscribers and Promoting

- Mobile interaction does not stand-alone; rather it leverages other forms of communication including online, print, radio, television, advertising and in-person.

- All advertising and promotional material must clearly indicate if the service is a subscription.

- Subscription terms and billing intervals must be specified/disclosed to customer.

- Clearly communicate all material terms and conditions of the program.

- Service Pricing information is clearly and conspicuously indicated.

- All advertising, promotional material, and service Help message clearly display the opt-out information.

- The service is not promoted as "free" when premium fees are associated with the service that the subscriber will pay with a reasonable level of participation in the program.

Best Practices for Permission

- It is vital to respect a wireless subscriber's right to privacy. ALWAYS gain permission from the people you plan to engage by employing an opt-in procedure.

- Gaining permission saves money. Each message sent costs money. Ensuring the customer wants to receive messages avoids any waste of your marketing budget.

- Sending unsolicited messages creates a negative impression and erodes brand recognition; prompting subscribers to avoid the service and file complaints.

- Avoid purchasing lists of numbers; always have customers opt-in and subscribe to receive content. For applications that require payment, create double opt-in process for subscribers that ensure willing participation.

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[1] Note: This document is not intended to be a substitute for professional legal advice. It is merely our interpretation of best practices and it is not a legal document. We recommend you consult an attorney to fully understand the laws and regulations regarding texting and how they may impact your business practices.

II. Trext for Non-Commercial Uses

We recommend following these practices:

1.) Get consent from your users; get them to opt-in. Get it in "writing:" collect the recipient consent in a web form, database table, or other permanent storage.

2.) Let them know they can text "stop" at anytime to end a conversation

3.) Keep a "Do Not Text" list of numbers who have opted-out, and don't include them the next time you send out a tree

4.) Let users know that "Standard messaging and data rates may apply" (shorten the text by saying "Msg & data rates may apply")

5.) Don't text anyone under 13

6.) Be sure to notify people if you're sending sexually explicit content.

7.) Empathize with your users; how would you react to getting this text?

Be respectful: Be cognizant of the number of messages you're sending to avoid a poor user experience. Do only what you say: If you say you'll send weekly tips, don't send ads or other messages.

Be compliant: When promoting a Trext tree, ensure that all forms of advertising include clear and conspicuous terms and conditions associated with offers and adheres to all state and federal regulations.

III. Legality for Commercial/ Marketing Uses

Texting for Commercial Interests

In order to control spam or unsolicited messages the CAN_SPAM (Controlling the Assault of Non-Solicited Pornography and Marketing) act of 2003 was signed. It does not ban spam, but rather establishes regulations and dictates punishments to those who invade consumer's privacy.

Messages considered "commercial" must adhere to the below requirements. If unsure about your message's purpose, remember that a text message could be in one of four categories: commercial, transactional or relationship content, or other content. Transactional emails consists only of content that facilitates agree upon commercial

transactions, gives warranty, recall safety, or information, and delivers goods or services as part of a transaction. If a message has commercial and transactional content, then the primary purpose of the message is the deciding factor of the categorization of the message. A message with commercial and other content is usually seen as a commercial message and must adhere to the CAN-SPAM Act. The act has seven requirements:

- Using accurate header information
- Abstaining from deceptive subject lines
- Must state the text message as an advertisement
- The location of the message's origin
- An accessible opt out feature
- Opt-out requests must be fulfilled at least 10 days later. Distribution of contact information of those who opted out is prohibited
- Monitor everyone who is related to text message marketing in your business

Furthermore, all commercial messages must have the recipient's oral or written consent. Also, sexually explicit messages must include the warning "SEXUALLY-EXPLICIT" in the subject of the message.

Like the CAN-SPAM Act, the Telephone Consumer Protection Act (TCPA) of 1991 curbs the number of unwanted texts sent to consumers. Text messages are banned unless the consumer gives consent to receive the message or the message is sent for emergency purposes. Texts sent using an autodialer are restricted. Solicitors must maintain a "do not call list" of consumers who asked not to be called and must honor the National Do Not Call Registry. Under the Children's Online Prvicay Protection Act of 1998, marketing direct towards children under 13 is prohibited as well.

<u>Using Trext for Marketing Purposes</u>

Clients of Trext who are marketing over text message should comply with the MMA (Mobile Marketing Association) Code of Conduct. Here are the important points of the code:

1.) Provide users with notice of both the marketers' identity or products and services offered.
2.) Give mobile users the right to choose which mobile content they receive
3.) Consent (opt-in) must be implemented for each program and not carried between programs unless the user agreed to this before or the next program begins by seeking consent.
4.) There must be a simple termination (opt-out) capacity which is easily discoverable (preferably on the first message).
5.) When possible, the user content collected should be used to the interest of the user and provide value to the user.
6.) Control and limit the mobile messages sent to users

7.) Protect mobile users' private information

(MMA, 2008, http://www.mmaglobal.com/node/1563)

Advertising SMS Marketing

Required components for poster/billboard/sign that asks users to text in:
MMA (Mobile Marketing Association), CTIA (Cellular Telecommunications Industry
Association) and the carriers require these five components:

      1.) What the messages will be (i.e. to receive health tips, for more info)
      2.) Frequency of subscription (i.e. weekly, monthly)
      3.) Messaging Rates Apply (i.e. Msg & Data rates May Apply)
      4.) Opt-out, (i.e. text STOP)
      5.)Terms and Conditions (i.e. "T&C text HELP" or provide link
           "www.terms&conditions.com")

Regarding the word "Free"

      Sending text messages with supposed free promotion are prohibited. The Federal
Trade Commission is cracking down on false promises of "free" gift cards or other
goods/ services (FTC, 2013, http://www.ftc.gov/opa/2013/03/textmessages.shtm).
When sending batch texts, one must tell all the conditions attached to this "free gift"
including the payments necessary to obtain these free promotions.

III. Trext Security

1.) The Trext website is secured with TLS (Transport Layer Security) encryption.   We
also follow standard best practices for our webapp security. However, text messages are
never encrypted. It is inadvisable to send sensitive information (credit cards, social
security numbers, passwords, etc) over text.

2.) For user's of Trext, we hash passwords. All credit card information is stored with
"Stripe," so it never touches our servers.

3.) We have a secure connection with our database. Even in the unlikely event that our
database was compromised; all passwords are uncoverable using standard encryption
methods. The database service we use, "Heroku," a highly reputable and used by many
large corporations, such as NASDAQ, Pintrest, Bing, and The Guardian.

4.) Once data is exported from Trext (typically via Excel), clients are responsible for ensuring security.