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919 Third Avenue
New York, New York 10022

Dear Mr. Feigelson:

This letter confirms the steps Yahoo! Inc. commits to implementing with regard to its main chat service, directed to U.S. users and found online at <http://chat.yahoo.com> ("Yahoo! Chat"), as a result of discussions with, and provision of documents and materials to, the New York Attorney General ("NYAG").¹

Yahoo! is an Internet service and content provider with its principal place of business in Sunnyvale, California. Yahoo! offers to the general public "chat rooms" covering a variety of topics, such as Business & Finance, Music, and Recreation & Sports. Yahoo! users may communicate with one another electronically while in the chat room or may communicate privately with individuals met while in the chat room. Access to Yahoo! chat rooms requires a user I.D. from Yahoo!, which is publicly available upon request. Until recently, users could create, and name, "user created" Yahoo! chat rooms.

Certain individuals, interested in engaging in sexual conduct with minors, have at times entered or even created chat rooms for such purposes. Yahoo! is committed to continue to work with the NYAG, and with the law enforcement community, to minimize, target, and take action against such behavior.

Yahoo! hereby confirms that between June 3 and June 14, 2005, it reviewed the names of approximately 614,000 user-created Yahoo! chat rooms, and eliminated or prevented the creation of approximately 70,000 of them based on various concerns, including room names that suggested improper and/or criminal purposes. As of June 15, 2005, Yahoo! voluntarily

¹ Yahoo! also has engaged in a discussion with and provided documents to the Nebraska Attorney General, resulting in a parallel agreement, with similar obligations. This agreement shall be interpreted and/or carried out independently from that agreement.

suspended the ability of users to create chat rooms, as part of its continued evaluation of compliance with the Yahoo! Terms of Service, under which users agree not to post abusive or unlawful content.

Pursuant to Yahoo!'s prior discussions with the NYAG, and the concerns expressed by this office, the parties hereby confirm Yahoo!'s agreement to employ the following practices to reduce the risk to minors associated with Yahoo! Chat. These undertakings apply to Yahoo! Inc. and its subsidiaries, and relate only to Yahoo! Chat.

- I. Yahoo! Will Continue Its Efforts to Enhance the Safety of Yahoo! Chat. Within sixty days, Yahoo! will take the following steps:
 - A. Yahoo! will pre-screen user-created chat room names. On June 15, 2005, Yahoo! voluntarily suspended all user-created Yahoo! Chat rooms. Yahoo! presently is evaluating whether to reinstate the ability for users to create Yahoo! Chat rooms. Should such reinstatement occur, Yahoo! will implement policies and procedures designed to ensure that (a) all user-created Yahoo! Chat room names are reviewed by Yahoo! before the rooms appear in a public directory, and (b) any user-created chat room with a name that reflects or suggests as its purpose the promotion of sexual acts or relationships between adults and underage persons not be allowed on Yahoo! Chat. Should Yahoo! become aware of such chat room names, it shall purge the rooms within 24 hours. To be covered herein, such room names need not explicitly refer to sexual acts. For instance, this agreement would include chat room names such as "9-14 girls 4 older men" and "Young Girls Like OLDER MEN Best" - these being examples of actual names of user-created chat rooms previously identified and destroyed by Yahoo!.
 - B. Yahoo! will make it easier to report and follow up on inappropriate behavior in Yahoo! Chat. Users of the Messenger and Java versions of the Yahoo! Chat software will have access to the "Report Abuse" link, which allows users to send Yahoo! a partial transcript of the Yahoo! Chat session when filing a complaint with Yahoo!. Yahoo! has advised the NYAG that this link previously was available only to users of the HTML version of Yahoo! Chat. Yahoo! will implement policies and procedures designed to provide for priority handling of user complaints related to child safety. Upon receiving such complaints, Yahoo! will review them and take appropriate action, which may include suspension of user accounts, suspension of chat rooms, or referral to law enforcement or other appropriate authorities. Yahoo! will also designate specific employees charged with taking such action described above.
 - C. Yahoo! will give clear notice to each user, when the user first enters a Yahoo! Chat room, that the IP address of the user's computer has been recorded. Yahoo! has advised the NYAG that it records the IP addresses of the computers that are

used to access certain of its services. Yahoo! additionally will notify Yahoo! Chat users of this practice, as a means of signaling to users that they may be traceable offline. (Yahoo! may in its discretion notify, or decide not to notify, users of the actual IP address recorded.)

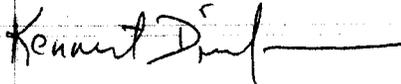
- II. Yahoo! Will Increase Its Support of Online Safety Education. Within one year, Yahoo! will implement the following steps:
- A. Yahoo! will increase the amount and prominence of materials on the Yahoo! Network that address chat safety. Yahoo! will create a set of online education materials dedicated to safe use of chat rooms (the "Chat Safety Module"). Links to the Chat Safety Module will appear prominently in appropriate places on the Yahoo! Network, including the homepage for Yahoo! Chat. Yahoo! will consult with the NYAG regarding the contents of the Chat Safety Module.
 - B. Yahoo! will increase its support of the National Center for Missing and Exploited Children. Yahoo! has historically supported the National Center for Missing and Exploited Children ("NCMEC"). Within ten (10) days of the execution of this agreement, Yahoo! will pay an additional \$175,000 to NCMEC, which shall be used at NCMEC's sole discretion, to enhance online child safety programs through NCMEC affiliates within the State of New York. Yahoo! and the NYAG shall make best efforts to ensure that NCMEC uses all funds by December 31, 2006.
 - C. Yahoo! will increase the amount of banner advertising or other messaging that it donates to Internet safety education via the Yahoo! Network. In addition to the above, Yahoo! will donate additional advertising space to NCMEC sufficient to deliver at least two million impressions to targeted teenage users (e.g., teenage girls between the ages of 13-18, during evening viewing hours), through the "Yahoo! Music" area of the Yahoo! Network. In doing so, Yahoo! will, as technology permits, utilize creative material supplied by NCMEC. Further, Yahoo! will make available to NCMEC all standard data on campaign tracking and effectiveness. This campaign will be designed with the goal that it will be delivered and completed prior to December 31, 2005.
- III. Yahoo! Will Increase Its Assistance To Law Enforcement. Within one year, working together with the office of the NYAG, other involved Attorneys General, and with the Internet Crimes Against Children Task Force, a cooperative effort of federal, state and local law enforcement, Yahoo! will supplement its existing resources in the area of child safety by taking these steps:

- A. Yahoo! will prepare a manual for state, federal and local law enforcement explaining how Yahoo! can assist them in investigating child safety cases. Yahoo! will consult with the NYAG in the development of this manual.
- B. Yahoo! will develop a one-day training program for law enforcement and deliver the program to law enforcement officials in New York. This program will include "first responder" training for investigators regarding how Yahoo! can assist investigations involving Yahoo! Chat services, including information about how Yahoo! Chat operates, the categories of data Yahoo! maintains in connection with Yahoo! Chat, and the interpretation of such data. Yahoo! will consult with the NYAG in the development of this training program.

This letter confirms both Yahoo!'s and the NYAG's commitment to Internet safety and the online protection of minors. This agreement does not constitute an admission by Yahoo! that the company has violated any law or committed any wrongful or improper act, nor does it constitute an approval by the NYAG of Yahoo!'s conduct with respect to the matters discussed herein. The NYAG reserves all rights to pursue legal action if the NYAG learns of actionable conduct, and Yahoo! reserves all defenses to any such action.

We appreciate Yahoo!'s cooperation with our investigation and efforts to improve online safety.

Sincerely yours,



Kenneth M. Dreifach
Assistant Attorney General In Charge
Internet Bureau



Karen Geduldig
Assistant Attorney General
Internet Bureau

ACCEPTED AND AGREED:



Michael Callahan

Title: Senior Vice President & General Counsel
An officer of Yahoo! authorized to
enter into this Agreement