

EXHIBIT A

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**Consumer Perceptions of Rocket Lawyer's Advertisement
and Website**

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I. Executive Summary

The Objective

The objective of these experiments is to test whether conforming Rocket Lawyer's advertisements and disclosures on its website to address LegalZoom's allegations has any effect on consumer understanding of Rocket Lawyer's free offers and purchasing decisions. See Section II.

The Approach

We designed test and control stimuli to be used in two experiments – the Incorporation Experiment and Other Legal Services Experiment. The stimuli shown to the respondents were screenshots of Rocket Lawyer's advertisements and website, with the control stimuli being the disputed version of the ads and website, and the test stimuli being a version of the ads and website that reflect LegalZoom's suggested revisions. See Section IV A and IV B.

Respondents were shown one stimuli – either the test or control for a Rocket Lawyer service and a series of questions designed to gauge their reactions to the test and control stimuli. The experiment used an internet panel with a sample size of 207 respondents for the Incorporation Experiment and 215 for the Free Trial Experiment. All respondents were randomly selected. See Section IV C and IV D.

The Results

Incorporation Experiment

1. What was the size of the potentially harmed population¹?

There was no harmed population. Based on the tree diagram found at page 42, there is no significant difference between the test and control groups of respondents who:

- a. chose Rocket Lawyer after seeing just the search engine advertisements,
- b. recalled the free offer,
- c. perceived the free offer as valuable,
- d. demonstrated some confusion as to the free offer, and
- e. accepted the free trial offer or bought products from Rocket Lawyer.

Directionally, there were more of these respondents in the test group (the modified stimuli responding to LegalZoom's suggestions) than the control group (the version in dispute). Thus, it is obvious that the versions of the Rocket Lawyer advertisements and website at issue did not cause LegalZoom any harm.

2. What, if any, was the impact of the Rocket Lawyer ad on the selection of Rocket Lawyer at the search engine stage?

The Rocket Lawyer ad had no impact on the selection of Rocket Lawyer at the search engine stage. There was no significant difference between the test and control groups when given a first and second opportunity to select Rocket Lawyer. (Incorporation Tables 1 and 2)

Of those who chose Rocket Lawyer, the fact that the service was advertised as "free" was more often a consideration for choosing Rocket Lawyer for those in the test group, where state fees were disclosed. (Incorporation Table 3)

¹ Using the tree diagrams at pages 42 & 59, at Level 5, if there is a significantly greater number in the Control groups than in the Test groups, then those above the level of harm demonstrated in the Test groups is the harmed population.

3. What, if any, was the impact of the search engine ad and website on:

a. Consumers' understanding of the need to pay state fees?

The search engine advertisement and website had no impact on respondents' understanding of the need to pay state fees. The majority of respondents recalled the need to pay state fees and there was no significant difference between the test and control groups. (Incorporation Table 6) Thus, the search engine ad had no impact on consumers' understanding of the need to pay state fees after visiting the website.

b. Consumers' understanding of the free trial offer?

The search engine advertisement and website had no impact on respondents' understanding of the free trial offer. The majority of respondents recalled that the free trial had a time limit and there was no significant difference between the test and control groups. (Incorporation Table 8) In addition, of those who recalled that there was a time limit to the free trial, the majority knew that they would be charged after the trial and there is no significant difference between the test and control groups. (Incorporation Tables 8 and 9). Thus, the search engine ad had no impact on consumers' understanding of the free trial offer after visiting the website.

c. Consumers' decision to accept the free offer?

A majority of respondents did not plan on taking the free trial offer or provide other business to Rocket Lawyer. The non-disclosure of state fees in the search engine ad (the control stimuli) led to a higher percentage of control respondents deciding to continue searching for other online legal services providers. (Incorporation Table 12) Thus, the search engine ad had no impact on consumers' decision to accept the free trial offer after visiting the website. However, not disclosing state fees increased the likelihood that consumers would not accept the free offer and continue searching for other providers.

4. What, if any, was the impact of the LegalZoom formatting of the free trial disclosures on the understanding and acceptance of the free offer?

Revising Rocket Lawyer's disclosures to conform to LegalZoom's formatting of its free trial program had no impact on respondents' understanding of the free trial and their decision to accept the free trial. (Incorporation Tables 8, 9, and 12) Thus, revising Rocket Lawyer's free trial disclosures to mimic LegalZoom's would have no impact on consumers' understanding of the free offer or whether they chose to do business with Rocket Lawyer.

Free Trial Experiment

1. What is the size of the potentially harmed population²?

There is no harmed population. Based on the tree diagram found at page 59, there was no significant difference between the test and control groups of respondents who:

- a. who chose Rocket Lawyer after seeing just the search engine advertisements,
- b. recalled the free offer,
- c. perceived the free offer as valuable,
- d. demonstrated some confusion as to the free offer, and
- e. accepted the free trial offer or bought products from Rocket Lawyer.

Directionally, there were more respondents in the test group (the modified stimuli responding to LegalZoom's suggestions) than the control group (the version in dispute). Thus, it is obvious that the versions of the Rocket Lawyer a website at issue did not cause LegalZoom any harm.

² See footnote 2.

2. Do consumers understand the free trial offer (time limit to free trial, charge after free trial period if consumer does not cancel)?

Yes, consumers do understand the free trial offer. The majority of respondents recalled that the free trial had a time limit and there was no significant difference between the test and control groups. (OLS Table 4) In addition, of those who recalled that there was a time limit to the free trial, the majority knew that they would be charged after the trial and there was no significant difference between the test and control groups. (OLS Table 5).

3. What, if any, is the impact of the LegalZoom formatting of the free trial disclosures on the understanding of the free trial?

The revised formatting in the test stimuli (addressing LegalZoom's allegations) had no impact on respondents' understanding of the free trial. There was no significant difference between the understanding of the test and control groups regarding the time limit and subsequent charge. (OLS Tables 4 and 5) Thus, the LegalZoom's formatting of the free trial disclosures would have no impact on the understanding of the free trial.

4. What, if any, is the impact of the LegalZoom formatting of the free trial disclosures on Respondents' decision to accept the free trial?

The revised formatting in the test stimuli (addressing LegalZoom's allegations) had no impact on respondents' decision to accept the free trial. The majority of respondents did not plan on taking the free trial offer and there are no significant differences between the test and control groups. Thus, the LegalZoom formatting of the free trial disclosures had no impact on consumers' purchasing decisions.

Overall Conclusions

1. LegalZoom's claims regarding both the incorporation service and the other online legal services are contradicted by the results of the two experiments. Changing the disputed Rocket Lawyer search engine ad and website to conform to LegalZoom's alleged requirements has no impact on the respondents and there is no significant difference between the test and control groups on any of the many measures we tested (Appendix M and all the tables of the report in Appendix L)
2. The lack of impact of the search engine advertising is not surprising given the fact that the respondents perceived advertisement as the least important factor in selecting an online legal service. (Incorporation Table 15, Other Legal Services Tables 11)

II. Background and Objective

A. Legal Background

LegalZoom.com, Inc. (“LegalZoom”) and Rocket Lawyer Incorporated (“Rocket Lawyer”) are competitors in the legal services industry. In November 2012, LegalZoom filed a lawsuit against Rocket Lawyer alleging that Rocket Lawyer’s advertisements on internet search engines and on its website for “free” services are false and/or misleading in violation of the federal Lanham Act and California False Advertising and Unfair Competition Law.

Disclosure of State Fees in Free Incorporation and Entity Formation Services

LegalZoom contends that Rocket Lawyer’s advertising “free” incorporation or entity formation without disclosing that users have to pay state mandated fees is false and/or misleading.³ LegalZoom contends that these advertisements must be viewed in isolation, as they appear in a search engine results page. However, Rocket Lawyer contends that the advertisements must be viewed in context of its website.⁴ LegalZoom has not made any allegations about whether users understand that they must pay state fees after they have viewed www.RocketLawyer.com and are at the point in the consumer journey where they would make a purchasing decision.

Free Trial

Rocket Lawyer offers a free trial of its subscription plan(s) on RocketLawyer.com. The free trial is for seven days, and after the free trial period ends, unless the user first cancels the free trial, he or she will be enrolled in and charged for a monthly subscription plan. LegalZoom contends that Rocket Lawyer does not properly make the terms of the free trial and subsequent automatic enrollment in a subscription plan “clear and conspicuous” under the California Negative Option Law.⁵ “To qualify as clear and conspicuous, a disclosure must be in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks, in a manner that clearly calls attention to the language.” Cal. Bus. & Prof. Code § 17600. LegalZoom has not made any allegations that the content of the disclosures relating to the negative option is lacking or improper.

Standard of Proof

To prove false advertising under the Lanham Act requires evidence that a material statement, with the power to influence purchasing decisions, made by Rocket Lawyer in an advertisement deceived or has a tendency to deceive a substantial segment of the audience and that LegalZoom has been harmed or is likely to be harmed by the diversion of sales or lessening of goodwill. See *Skydive Arizona, Inc. v. Quattrocchi*, 673 F.3d 1105, 1110 (9th Cir. 2012) (citing 15 U.S.C. § 1125(a)(1)(B)). A statement is material “if it is likely to influence the purchasing decision. . .” *Rice v. Fox Broad. Co.*, 330 F.3d 1170, 1181 (9th Cir. 2003)

Similar to the Lanham act, the California False Advertising Law (“FAL”) makes it unlawful for any person to “induce the public to enter into any obligation” based on a statement that is known, or

³ Rocket Lawyer stopped advertising free entity formation without disclosing state fees in March 2013. Hollerbach Declaration ¶ 25 (dated Sep. 23, 2013)

⁴ The Court has agreed with this position, and thus this experiment focuses on whether consumers are drawn to Rocket Lawyer based on its advertisements, but tests understanding of the offers based on the advertisement and website. See Order re Plaintiff’s Motion for Summary Judgment (ECF No. 44) at 7-8.

⁵ First Amended Complaint at ¶¶ 14c;16; LegalZoom Motion for Summary Judgment (“LZ MSJ”) at 4-5, 15n.4 (describing allegations and citing Cal. Bus. & Prof. Code § 17600 et seq)

reasonably should be known, to be “untrue or misleading.” Cal. Bus. & Prof. Code § 17500. To prevail on its FAL claim, evidence must show that “members of the public are likely to be deceived” under a reasonable consumer test. *Davis v. HSBC Bank Nev., N.A.*, 691 F.3d 1152, 1162 (9th Cir. 2012).

The claim for California Unfair Competition Law here is entirely derivative of the false advertising claims.

B. Objective of the Experiment

The objective of this experiment is to test, for both the Incorporation Service and the Free Trial of other online legal services, whether revising Rocket Lawyer’s advertisements to address LegalZoom’s allegations has any effect on consumers’ understanding of the services offered and ultimately their purchasing decision.

Disclosure of State Fees in Incorporation or Entity Formation Service

The Incorporation Experiment is intended to test whether disclosing state fees by adding “pay only state fees” or other similar language to Rocket Lawyer’s search engine incorporation/entity formation advertisements would have had any effect on consumer understanding or purchasing decision⁶, especially in the context of the state fee disclosures made on RocketLawyer.com along the typical consumer journey. The free trial questionnaire is intended to gauge (1) at the search engine advertisement stage, whether respondents are drawn more to Rocket Lawyer’s website when it does not disclose state fees compared to when it does and (2) whether, after reviewing the Rocket Lawyer website and reaching the payment page, respondents understand that they must pay state fees with enrollment in a free trial even if Rocket Lawyer did not disclose the state fee in its advertisement. Specifically, the goal of the experiment is to answer the following questions:

1. What was the size of the potentially harmed population⁷?
2. What, if any, was the impact of the Rocket Lawyer search engine ad on the selection of Rocket Lawyer ad the search engine stage?
3. What, if any, was the impact of the search engine and website on
 - a. Consumers’ understanding of the need to pay state fees?
 - b. Consumers’ understanding of the free trial offer?
 - c. Consumers’ decision to do business with Rocket Lawyer?
4. What, if any, was the impact of the LegalZoom formatting of the free trial disclosures on the understanding and acceptance of the free offer?

⁶ As stated above, Rocket Lawyer Rocket Lawyer’s business formation advertisements have disclosed state fees since March 2013.

⁷ On pages 42 & 59, we have provided a tree diagram to separate the respondents not affected by LegalZoom’s claim from those who are – respondents who chose Rocket Lawyer after seeing just the search engine advertisements, recalled the free offer, perceived the free offer as valuable, demonstrated some confusion as to the free offer, and accepted the free trial offer or bought products from Rocket Lawyer. If at Level 5 there is a significantly greater number in the Control group than in the Test group of the affected respondents, then those above the level of harm demonstrated in the Test groups is the potentially harmed population.

Disclosure of Free Trial Terms

The Free Trial Experiment is intended to test whether revising the current format of Rocket Lawyer's disclosure of the terms of its free trial program to mimic the format of LegalZoom's disclosures has any effect on respondents' understanding and purchasing decision. At the end of the survey, the goal is to answer the following questions:

1. What is the size of the potentially harmed population⁸?
2. Do consumers understand the free trial offer (time limit to free trial, charge after free trial period if consumer does not cancel)?
3. What, if any, is the impact of the LegalZoom formatting of the free trial disclosures on the understanding of the free trial?
4. What, if any, is the impact of the LegalZoom formatting of the free trial disclosures on consumers' decision to accept the free trial?

⁸ See footnote 4.

III. Qualifications

1. I am the Lauder Professor and Professor of Marketing⁹ at the Wharton School of the University of Pennsylvania. I joined the Wharton staff in 1967, upon receipt of my doctorate from Stanford University.
2. Publications. I have been a regular contributor to the marketing field, including 22 books and over 250 papers, articles and monographs. My books and articles, which are frequently cited by other authors, encompass marketing strategy, marketing research, new product and market development, consumer behavior, and organizational buying behavior, and global marketing strategy.
3. Editorships – I have served as the editor-in-chief of the *Journal of Marketing*, as a guest editor of numerous marketing journals, on the policy boards of the *Journal of Consumer Research* and *Marketing Science*, and have been on the editorial boards of the major marketing journals. I am the founder of Wharton School Publishing and served as its first Wharton editor from 2004 to 2008.
4. Teaching and Consulting – I have taught MBA, Ph.D., and executive development courses on a wide range of marketing topics. I also have consulted extensively for many Fortune 500 firms, including major pharmaceutical firms. In my teaching, consulting, editorial and university positions, I have designed, conducted and evaluated thousands of marketing and consumer research studies.
5. Expert Witness – I have conducted and evaluated marketing and consumer research in a litigation context, have been qualified as a marketing and survey research expert, and testified in trial in a number of federal courts.
6. Awards – I have received various awards, including the four major marketing awards – The Charles Coolidge Parlin Award (1985), the AMA/Irwin Distinguished Educator Award (1993), the Paul D. Converse Award (1996), and MIT's Buck Weaver Award (2007). I also received the first Faculty Impact Award by Wharton Alumni (1993). I was elected to the Attitude Research Hall of Fame in 1984. I have also been honored with a number of research awards, included two Alpha Kappa Psi Foundation awards. In 2001, I was selected as one of the ten grand Auteurs in Marketing, and in 2003 I received the Elsevier Science Distinguished Scholar Award of the Society for Marketing Advances. In 2010, I was selected as one of the Ten Legends of Marketing, and Sage Publications is publishing eight volumes of my writings.
7. Resume and Compensation – Appendix B includes my full resume. My resume can also be viewed online at the following web address:
<http://marketing.wharton.upenn.edu/documents/cv/Jerry.Wind.CV.9.28.11.pdf>.
The legal cases in which I have testified in deposition or trial are included in Appendix C. My compensation for review and analysis of the relevant material and preparation of this expert report is at my regular consulting rate of \$1,000 an hour and is not contingent on the outcome of the case.

⁹ Marketing, according to the American Marketing Association, is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals. (P.D. Bennet ed. Dictionary of Marketing terms, Chicago AMA 1988, p.54)

IV. Research Design

A. The Experiment

The experiment was designed as two double-blind¹⁰ experiments among customers who bought or intend to buy online legal services (see Universe). The respondents were randomly selected (see Sample) from the online panel of Research Now (see Appendix D). The respondents were then screened to include only the relevant consumer audience in the sample.

Specifically, the respondents were males and females 18 years of age or older, who all have looked for specified online legal services over the past few years (S9/S10a) or plan on looking for specified online legal services in the next 6 months (S11a/b). Based on which online legal services a respondent selects, as well as a program algorithm to balance each of the services, each respondent was designated to answer questions about an online service that was relevant to them.

As an additional layer, for respondents to qualify for the “Incorporation Service” path, they also had to either currently be an Owner/Proprietor of a company/business (S8a) or have aspirations or plans to start their own company/business (S8b). After that, respondents had to be primary decision makers or take part in the decision making in the event they were in need of online legal services (S12).

The experiment involved a **control group** shown the Rocket Lawyer advertisement and website in dispute, and a **test group** was shown a version reflecting the changes suggested by LegalZoom.

The main experiment focused the respondent on one of the following five online legal services, depending on what they qualified for:

1. Incorporation
2. Divorce
3. Bill of Sale
4. Lease Agreement
5. Power of Attorney

Although the information pertaining to each form/area of law varied across the different stimuli to ensure that respondents had a range of legal forms to choose from that would best met their needs, it was imperative that the overall experience is the same. Each of these forms/services is created by going through a document review for a specific form/area of law which ends in an offer to enroll in a free trial and if the free trial is chosen, a credit card page. For services 2-5, the free trial and credit card pages were identical.

The results are shown separately for the Incorporation Service (Test vs. Control) and a compilation of online legal services which combines data for Divorce, Bill of Sale, Lease Agreement, and Power of Attorney—(Test vs. Control).

This design allows clear and unambiguous determination of the validity of plaintiff’s complaint and an estimate of the size of the market segment that met plaintiff’s complaint criteria.

¹⁰ Neither the respondents nor others working on the experiment knew the objective of the experiment or identity of the sponsor.

B. The Stimuli

The Rocket Lawyer search engine advertisement and website in dispute were presented to the CONTROL group and a modified ad and website reflecting the changes suggested by plaintiff was presented to the TEST group.

The rationale behind designing the stimuli used in this experiment was to mimic as closely as possible the experience of a consumer of online legal services at the internet search stage and the user experience on RocketLawyer.com from November 2012, when this action was filed. The differences between the control and test stimuli were intended to gather data on whether revising Rocket Lawyer's advertisements and disclosures to conform to LegalZoom's alleged requirements has any effect on respondent understanding or decision making.

As with all internet businesses, RocketLawyer.com is constantly changing. However, the changes to the relevant portions of the website were cosmetic and the *substantive* information provided on RocketLawyer.com has remained similar throughout the life of the company See Appendix A, Declaration of David Baga in Support of Expert Report of Jerry Wind, ¶¶ 4-8. All stimuli were generated from available historic screenshots of RocketLawyer.com and search engine results or screenshots of RocketLawyer.com and search engine results available in January 2014.

Incorporation Stimuli

Because LegalZoom's primary allegations concern Rocket Lawyer's search engine advertisements, both the test and control stimuli will begin at the advertisement stage using an August 28, 2013 search for "incorporation." The Control Stimuli contained a Rocket Lawyer advertisement cited in LegalZoom's summary judgment motion and the Test Stimuli contained the Rocket Lawyer advertisement from August 28, 2013 where state fees were disclosed.¹¹

Control¹²:

[Incorporate for Free | RocketLawyer.com](#)
www.rocketlawyer.com/CA-Incorporate
866-231-5787 - Pay No Fees (\$0) Simple California Incorporation!
408 people +1'd or follow Rocket Lawyer

Test

[Incorporate for Free](#) 1 (866) 231 4452
www.rocketlawyer.com/CA-Incorporate
Incorporate in CA in 5 Minutes. **Only Pay California State Fees!**
Rocket Lawyer has 613 followers on Google+
Call our Specialists: 866-231-5787 - 5 Minute California LLC

¹¹ The control advertisement was modeled after the advertisement attached as Exhibit B, p. 29 to LZ MSJ that was generated through a search for "incorporation." The test advertisement is the actual advertisement generated through a search for "incorporation" on August 28, 2013. See Declaration of Hong-An Vu In Support of Opposition to LZ MSJ, Ex.15. The control advertisement was embedded in the search results for the August 28, 2013 Google search so that all other variables other than the Rocket Lawyer advertisements are the same.

¹² Using LegalZoom's complaint and motion for summary judgment and accompanying exhibits as guidance, Rocket Lawyer recreated in color the advertisement that LegalZoom found was generated by Google after a search for "incorporation." See LZ MSJ, Ex. B, p. 29.

[Incorporate for Free | RocketLawyer.com](#)
www.rocketlawyer.com/CA-Incorporate
866-231-5787 - Pay No Fees (\$0) Simple California Incorporation!
408 people +1'd or follow Rocket Lawyer

Respondents were then tested on whether they would choose Rocket Lawyer based solely on the advertisement. If the respondent chose Rocket Lawyer or was interested in exploring Rocket Lawyer's website, the respondent was shown screenshots of the incorporation consumer journey.

Respondents were shown a typical user journey using screenshots of Rocket Lawyer's website from January 2014.¹³ The only screenshot not from January 2014 is image #7, the "choose your processing" page, which offers free processing with enrollment in a free trial or the option to pay for processing.¹⁴ Because we were testing some content on this page, we used the format of the page from when LegalZoom initiated the lawsuit.

We made changes in formatting between the test and control stimuli to determine whether revising the free trial disclosure similar to how LegalZoom displays the terms of its free trial had any statistically significant effect on the customer's understanding of the free trial.¹⁵

Other than the advertisement and the incorporation free trial offer page, the stimuli for the test and control were identical. For the complete test and control stimuli, please see Appendix E.

¹³ Rocket Lawyer cannot recreate the exact user experience from prior time periods. Appendix A, Baga Declaration ¶ 9. However, the incorporation user journey has only had minor, cosmetic changes since Rocket Lawyer began providing incorporation services in August 2008 and the substantive information provided, including the disclosures regarding state fees, has always been available to users in a similar manner. *Id.* at ¶¶ 7, 10, 13. In addition, LegalZoom's primary allegation concerns how Rocket Lawyer has advertised its free incorporation and/or entity formation services on search engines. See Declaration of Mary Ann Nguyen ¶6 (dated Sep. 4, 2013). LegalZoom has not complained about how Rocket Lawyer discloses its state fees on its website.

¹⁴ The screenshot for "choose your processing" was in use from about May 2012 to December 2013. Appendix A, Baga Declaration, ¶ 12, Ex. A. The only change we made to the historic screenshot was to replace the image on the right hand side in the box asking if the user needs additional help, with the same image from the other screenshots in the January 2014 journey, to avoid making this page stand out compared to the others in the journey.

¹⁵ As explained more fully below in the Free Trial Stimuli section, Rocket Lawyer has taken the language relating to the free trial and put it in a red box with white lettering to conform with LegalZoom's practices for advertising/offering its free trial and disclosing the automatic enrollment after the free trial period ends. See Appendix E.

Control:

In the control, we used a screenshot of how Rocket Lawyer has historically displayed the free trial disclosure. Please see Appendix E Incorporation Control, page 8 for the complete image.

Choose your processing option

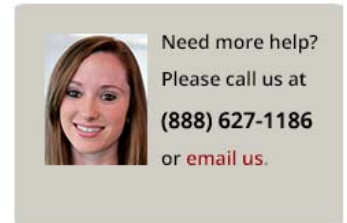
Our Rocket Lawyer Specialists have designed our plans to save you time and money. Choose your option below:

TRIAL PLAN (FREE*)

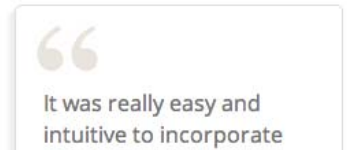
- Free one-week trial of the Rocket Lawyer Legal Plan*
- Incorporation paperwork processing (\$99.95 value)

PROCESSING ONLY (\$99.95)

- Incorporation paperwork processing



Need more help?
Please call us at
(888) 627-1186
or [email us](#).



“
It was really easy and
intuitive to incorporate

Test:

In the test, we modified the control screenshot to conform to LegalZoom’s formatting of its free trial disclosure. For a full screenshot, please see Appendix E Incorporation Test at page 8.

Choose your processing option

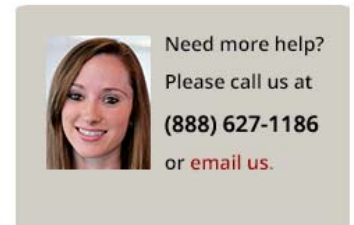
Our Rocket Lawyer Specialists have designed our plans to save you time and money. Choose your option below:

TRIAL PLAN (FREE*)

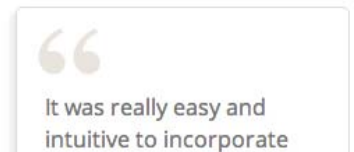
- Free one-week trial of the Rocket Lawyer Legal Plan*
- Incorporation paperwork processing (\$99.95 value)

PROCESSING ONLY (\$99.95)

- Incorporation paperwork processing



Need more help?
Please call us at
(888) 627-1186
or [email us](#).



“
It was really easy and
intuitive to incorporate

Free Trial Stimuli

LegalZoom has alleged that Rocket Lawyer does not disclose that their free trial program is a negative option plan – meaning that after the free trial period ends, unless the user cancels, he or she will automatically be enrolled in a monthly subscription plan and charged a monthly fee.

As the typical user begins the journey by searching for a document, the stimuli for this test begins at the search for a legal form.¹⁶ Rocket Lawyer offers over 800 legal forms on RocketLawyer.com.

The top four forms started are:

1. Lease Agreement
2. Power of Attorney
3. Bill of Sale
4. Divorce Settlement Agreement¹⁷

Thus, in order to as closely as possible mimic the typical consumer experience, we created a free trial consumer journey for each of these four forms using searches for these forms from January 2014. Respondents were shown ten screenshots of the document interview for the form that he or she was most likely to complete.¹⁸ The control and test stimuli were identical for this portion of the stimuli between the Test and Control versions for each of the four forms.

The only differences between the free trial and free incorporation stimuli were in the last two images where respondents were given the opportunity to decide whether to enroll in a free trial, to enroll in a paying plan, or to purchase the document created.

¹⁶ LegalZoom has provided a screenshot of Rocket Lawyer’s pricing page from October 3, 2012. However, this page is not the primary access point to Rocket Lawyer for the typical consumer interested in online legal services. See Hollerbach Declaration at ¶ 13. Instead, the typical user accesses the free trial by searching for a document and then completing Rocket Lawyer’s document interview program, where at the end, the user has the option to enroll in a free trial, monthly, or annual plan. *Id.* ¶¶ 13-14. However, whether the user clicked on “try it fee” from the former pricing page (Nguyen Decl. at Ex. H, p. 60) or chose free trial from the document creation user journey, the user would be taken to a substantially similar page – the enrollment page where the user would provide credit card information to enroll in the free trial and also receive additional information relating to the free trial offer and subsequent enrollment in a plan should the user not cancel. *Compare* Nguyen Decl. Ex. H p. 61 and 62 with Declaration of Hong-An Vu in support of Rocket Lawyer’s Opposition to Summary Judgment, Ex. 6.

¹⁷ These four forms also account for 21.6% of all forms started on RocketLawyer.com and account for approximately 19.5% of all clicks that Rocket Lawyer receives from the search engines. Appendix A, Baga Declaration ¶ 14. The searches for these screenshots were performed on January 21, 2014 for all the search screenshots except for the bill of sale search, which was performed on January 22, 2014.

¹⁸ These screenshots are from Rocket Lawyer’s website as of January 2014 unless otherwise stated. Appendix A, Baga Declaration ¶ 15. Because there are no allegations relating to Rocket Lawyer’s document interview process, we have included only a portion of the document interview process sufficient to provide the user context for the free trial advertisement and offer.

Free Trial Offer¹⁹

Control stimuli: The control stimuli contained a screenshot of how Rocket Lawyer offered its free trial, monthly, and annual plan exactly as it appeared on RocketLawyer.com at the end of a document interview.

Test stimuli: Using Legal Zoom’s intra-website advertisement for a 30-day trial of its Business Legal Plan, Rocket Lawyer modified its free trial offer to similarly display the terms of the free trial.²⁰



Please see Appendix E Control and Test for any service other than Incorporation at pages 13 and 14 for the complete screenshots of both the control and test stimuli.

¹⁹ Image # 13 of both stimuli is Exhibit C to the Hollerbach Declaration, which is a screenshot of how Rocket Lawyer was displaying its free trial offer in November 2012 when this action was filed. The only change here was to make the document generic by changing the reference to the bill of sale to just “document.”

²⁰ We followed LegalZoom’s practices by: (i) removing the information relating to how much the user will be charged after the free trial ends “\$19.95 a month after trial ends. No obligation”; (ii) adding an asterisk after “Get this document free with a one-week trial membership”; and (iii) adding another asterisk near the bottom of the page a disclosure about the subscription price after the trial period that says “After the 7-day trial period, benefits of the Monthly Legal Plan will continue automatically for \$19.95 per month” in small, italicized lettering. See LegalZoom Model (Appendix F – LegalZoom Models):

Get a free business start-up consultation! As part of our Express Gold package, you get a 30-day trial to the LegalZoom Business Legal Plan.*

[Learn more](#) 

** Available in most states. After the 30-day trial period, benefits to the Business Legal Plan (also Business Advantage Pro) continue automatically for \$29.99 per month. For states where Business Advantage Pro is not available, benefits to Business Advantage Standard continue automatically for \$7.99. You can cancel by calling (877) 818-8787. For full details, see the Legal Plan Contract and Advantage Terms of Service.*

Enrollment in Free Trial

After the free trial offer, respondents proceeded through the remainder of the consumer journey to the enrollment page.²¹

Control stimuli: The control stimuli contained the screenshot of Rocket Lawyer's enrollment page exactly as it appeared on RocketLawyer.com.

Test Stimuli: The test stimuli was a modified version of the enrollment page to match the format of how LegalZoom has provided information relating to one of its free trials and subsequent automatic enrollment in a paying plan.²²

Control

You will not be billed today

Your free trial entitles you to the Basic Legal plan for one-week. After your free trial ends, a Rocket Lawyer Monthly plan with unlimited free documents, e-signatures, sharing and other premium features will start and this credit card will be charged \$19.95/month.

Why do I need to enter my credit card?

Providing your credit card ensures that your service will continue uninterrupted at the end of your free trial.

How do I cancel?

If you decide that you don't want to keep your membership, simply downgrade the service to a free membership to discontinue the Legal Plan and \$19.95/month billing. The legal documents created and saved during your trial are free, which means they are yours to keep, and you can access them at any time.

Your information is secure

We use maximum encryption so that your personal information is safe and secure.

Test

You will not be billed today

Your free trial entitles you to the Basic Legal plan for one-week. After your free trial ends, a Rocket Lawyer Monthly plan with unlimited free documents, e-signatures, sharing and other premium features will start and this credit card will be charged \$19.95/month.

Why do I need to enter my credit card?

Providing your credit card ensures that your service will continue uninterrupted at the end of your free trial.

How do I cancel?

If you decide that you don't want to keep your membership, simply downgrade the service to a free membership to discontinue the Legal Plan and \$19.95/month billing. The legal documents created and saved during your trial are free, which means they are yours to keep, and you can access them at any time.

Your information is secure

We use maximum encryption so that your personal information is safe and secure.

Other than the free trial advertisement and the enrollment page, the control and test stimuli were identical. Please see Appendix E for the complete stimuli.

²¹ The screenshot used for this page of the stimuli is also from the enrollment page that was available between that was in use around when the complaint was filed, since it was taken on December 6, 2012, and is substantially similar, if not identical, to the version relied on by LegalZoom in the LZ MSJ. See Nguyen Dec. Ex. H, p. 61-64.

²² To do so, we placed the information relating to its free trial plan that appears on the right hand side of the enrollment page in a red box and changed the wording to white to stand out against the red background.

LegalZoom Model (Appendix F – Legal Zoom):

Business Advantage Pro 30-day trial^{*}**

After the 30-day trial period, benefits will continue automatically for \$29.99 per month. Cancel at any time with no further obligation by calling (877) 818-8787. We'll send you periodic emails about your benefits, which continue until canceled. Program includes:

C. Universe

The respondents for the two experiments were recruited from the e-Rewards and valued opinions online panels maintained by Research Now. Research Now has been providing high quality, proprietary, research-only online panel samples since 2001. Research Now is an independent source for permission-based data collection, with 6,200,000 panelists globally.

Research Now partners with a diverse set of globally recognized consumer and business-facing brands to identify individuals who are profiled along multiple dimensions. Only individuals – or individuals who share known characteristics – are invited to enroll in the e-Rewards panel. To exclude duplication, panel sources are assessed during the project set-up, using a Browser Fingerprinting technology.

The universe includes members of the Research Now USA Consumer Panel (see Appendix D), who met the following universe definition:

1. Looked for online legal service in the past few years (S10a-c)
2. Potential to look for online legal services in the next 6 months (S11a-c)
3. If selected Incorporation: Primary decision maker (S12)

D. Sampling & Resulting Sample

Survey invitations were sent to members of the Research Now USA (RN) panel. For a description of the internet panel, its selection, maintenance, quality safeguards, and usage, see Appendix D.

In order to obtain a sufficiently large number of completed responses, invitations were sent out randomly to qualified panelists in successive waves, until about 400 completed responses had been received. Invitations were sent out to a total of 3,334 panelists, yielding 763 qualified respondents and 422 completed surveys. The drop-off from qualified respondents to completed surveys comes from the inclusion of additional qualification questions in the main survey to acquire the correct universe of respondents (see Q1c and Q5c in the questionnaire Appendix G).

Details of the total numbers of invitations sent and completed responses received are presented in Appendix H. The Disposition Report in Appendix H also provides details of the reasons why respondents were disqualified from taking the survey.

The Business sample characteristics are:

When someone enrolls in the panel they are asked general consumer questions, as well as business questions. The business profiling starts with employment status and filters down, to ask questions regarding the respondents' business title, occupation, industry, function, company size, etc. to ensure they are business minded individuals.

For this experiment $\frac{3}{4}$ of the respondents were recruited from the business panel, and $\frac{1}{4}$ from the consumer panel.

The randomly selected panelists were first matched to the census gender and age distribution (S3, S4) and geography (S5). Once contacted, they were screened for the universe definition (10a-c, 11a-c, and 12) and for meeting the following security requirements:

1. Not working for marketing research firm; advertising agency; PR agency; Law Firm or company that deals with giving legal advice, including online law services (S1)
2. During the past three months have not taken part in any market research surveys for online legal services (S2)
3. Device taking survey on desktop, laptop, or tablet computer (S13a/b)
4. Willingness to agree to a confidentiality agreement (S6)

The Consumer sample characteristics are:

We invited a representative sample of respondents for gender, age and region based on census to complete the survey.

Sample Size by Services:

	Incorporation Services – Test	Incorporation Services – Control	Consumer Services – Test	Consumer Services – Control
Base: Total Respondents	104	103	108	107
Incorporation	104	103	0	0
Divorce	0	0	28	29
Bill of sale	0	0	24	27
Lease agreement	0	0	29	26
Power of attorney	0	0	27	25

E. Data Collection

Data collection was administered by Radius Global Market Research under my overall supervision and took place from 2/19 to 2/28 of 2014.

To ensure the quality of the data the following safeguards were implemented:

1. The CAPTCHA (Completely Automated Public Turing test to tell Computers and Humans Apart) test was performed to determine whether or not the respondent is human.
2. Agree to a Confidentiality agreement (otherwise respondent is terminated).
3. The respondents were instructed as follows:
 - Please take the survey on a desktop, laptop, or tablet computer (S13a/b).
 - While taking this survey, please do not at any time use the 'back button'.
 - While taking this survey, please do not search for help.
 - Please do not consult or talk with any person while taking this survey.
5. To ensure quality of the stimuli and readability of the questions, only respondents who used desktop computers, laptops and tablets were included (no smartphones or mobile phones).
6. The identities of the respondents were matched against the answers of panel members regarding age, gender and region if respondents were in the consumer panel and region if respondents were in the business panel.

F. **Respondent Task**

The main task of respondents (who all have looked for specified online legal services over the past few years or plan on looking for specified online legal services in the next 6 months) was comprised of the following:

1. Respondents were first asked to review a Google search page for the specific online legal service that they qualified for. After reviewing that particular search page, respondents were asked which company they would be interested in exploring further based on what they saw.
 - a. If at first the respondent did not select RL, they were asked a follow-up question to review all the companies they did not select and select any that they would be interested in exploring further.
 - After this, if the respondent still did not select RL, they were asked if they would be willing to explore RL's website.
2. Next the respondents were shown specific online legal service stimuli based on which service they qualified for in the screener. These stimuli emulated the journey a respondent would take starting from first searching the online legal service on Google, to selecting RL's website, all the way to the payment page on RL's website. Each step in the journey had its own screen shot image displayed on its own page, so it looked as if the respondent were actually going through the website. After reviewing all of the screens (Incorporation Service had 13 screens to review and all Consumer Services had 14 screens to review), the respondent answered questions about what they saw regarding:
 - a. The recollection of a free trial offer
 - b. Awareness of state fees (Incorporation Service only)
 - c. The recollection of a time limit on the offer
 - d. And finally, what action the respondent was likely to take after reviewing all the information
3. We followed up by asking, in general, what factors are important to the respondent when deciding to use an online legal service company.
4. Finally, we wanted to understand if the respondent was familiar with free online trials by asking if they have ever encountered any online offers for a free trial of products and/or services.

Main Questionnaire Details:

The **Incorporation Service Experiment** focused on the following topics:

- Internet search engine usage for online legal services (Q1a-Q1c)
- Google ad consideration for specified online legal services (Q2-Q5c)
- Rocket Lawyer's online legal service Google ad and website review (Q6a)
- Description of Rocket Lawyer's free Incorporation offer from its Google ad and website (QB7-QB8)
- Recognition of free Incorporation Offer from Google ad and website (QB9)
- Understanding of State Fees (QB10a-QB10b-2)
- Recollection of free Trial Offer (QB11)
- If free Trial Offer has a time limit (Q12a)
- What happens after the free trial period? (Q12b/c)
- Understanding of how to get answers to questions, after signing up for the free trial (Q13)

- Describing actions likely to take, assuming interest in online Incorporation services, after reviewing Rocket Lawyer's Google ad and website (QB13b/c)
- Selecting a statement that summarizes actions likely to take, assuming interest in online Incorporation services, after reviewing Rocket Lawyer's Google ad and website (Q14)
- Describing why made that decision? (Q14b)
- If did not select 'Take Free Trial', why not? (Q14c)
- Opportunity to add personal factors in choosing online legal services (Q14d)
- Ranking of the factors in choosing online legal services (Q14e)
- Selecting factors that are not important in choosing online legal services (Q14f)
- If encountered other online offers for a free trial of products/services (Q15a)
- Describing other online offers for a free trial of products/services that encountered (Q15b/c)
- Enrollment of other online free trial offers of products/services that encountered (Q15d)

The **Consumer Services Experiment** focused on the following topics:

- Internet search engine usage for online legal services (Q1a-Q1c)
- Google ad consideration for specified online legal services (Q2-Q5c)
- Rocket Lawyer's online legal service Google ad and website review (Q6a)
- Description of Rocket Lawyer's offer from its website (QC7-QC8)
- Recognition of free Trial Offer from website (QC9a)
- Description of free Trial Offer (QC10)
- Describe the offer to a friend (QC11a/b)
- If free Trial Offer has a time limit (Q12a)
- What happens after the free trial period? (Q12b/c)
- Understanding of how to get answers to questions, after signing up for the free trial (Q13)
- Describing actions likely to take, assuming interest in specified online legal services, after reviewing Rocket Lawyer's website (QC13b/c)
- Describing why made that decision? (Q14b)
- If did not select 'Take Free Trial', why not? (Q14c)
- Opportunity to add personal factors in choosing online legal services (Q14d)
- Ranking of the factors in choosing online legal services (Q14e)
- Selecting factors that are not important in choosing online legal services (Q14f)
- If encountered other online offers for a free trial of products/services (Q15a)
- Describing other online offers for a free trial of products/services that encountered (Q15b/c)
- Enrollment of other online free trial offers of products/services that encountered (Q15d)

The survey questionnaire can be found in Appendix G.

G. Analysis

Since the experiment design relied on a number of open-ended responses, the open-ended responses were coded by a professional coder who did not know the purpose of the experiment or identity of the sponsor. In addition, there are full verbatim responses which can be referenced in Appendix I.

The data were coded and cross tabulated for the Incorporation Service and Consumer Online Legal Services. For each experiment the cross tabs focus was on the similarities between Test and Control groups for two separate respondent groups – the segment interested in Incorporation Service and the segment interested in Consumer Online Legal Services (as previously defined in the *Experiment* section – page 9).

The analysis of the statistical significance of the difference between the test and the control groups (Appendix M) was conducted by Abba Krieger, Professor of Statistics at the Wharton School, University of Pennsylvania.

As part of the analysis, we have designed a decision tree chart that identifies the “harmed” population or the segment of people who could have been deceived due to:

1. the omission of “State Fees” and the focus on “Free Trial” in the advertising of online legal incorporation service (*Only applies to the respondents who answered about the Incorporation Service*)
2. the advertising of “Free Trial” of online legal services (*Only applies to the respondents who answered about the Consumer Services*)

The trees were constructed to identify the segment that could have been affected by plaintiff's claims and incorporated both open and closed-ended questions. At Level 1 for the general population, those who did not choose Rocket Lawyer were eliminated.²³ At Level 2, those who could not recall the free offer were eliminated. At Level 3 those who did not see value in the free offer prior to the purchasing decision were eliminated. At Level 4, those respondents with the highest level of understanding of the free offers were eliminated. At Level 5 those who chose not to do business with Rocket Lawyer were eliminated. By Level 5, the potentially harmed population was identified – those who demonstrated some confusion and provided Rocket Lawyer with business. At this stage if the difference between the test and control group is statistically significant and there are more respondents in the control group than those would be the harmed segment.

The open-ended questions were coded by the same coder, who implemented “flag coding” by flagging a response as included or not included in a particular issue. This, in combination with select answers from closed-end questions makes up the decision trees. Since in a number of the tree branches the input was from more than one question, to the extent that the results were not consistent, the respondent was identified as having an ambiguous response.

²³ We also analyzed two segments that did not choose Rocket Lawyer at Level 1 to determine whether there was any discrepancy between the general population and these segments. We analyzed the population who chose LegalZoom, but not Rocket Lawyer, and those who did not choose Rocket Lawyer because the advertisement was California specific. After analyzing these populations at each Level (except Level 1), we concluded that there was no difference between these segments and the general population. The tree diagrams for these segments can be found in Appendix J, Supporting Data.

V. Results

The results are presented separately for the 2 experiments.

Each section includes a set of tables corresponding to the research question that guided the experiment and a tree diagram that quantifies the size of the segment that could have been affected by plaintiff's complaint.

Incorporation Service Data Tables:

- Table 1. The Impact of the Rocket Lawyer Search Ad on the Choice of Rocket Lawyer and Legal Zoom (Q2)
- Table 2. The Impact of the Rocket Lawyer Search Ad on the Inclusion of Rocket Lawyer and Legal Zoom in the Consideration Set (Q4a)
- Table 3. Reasons for selection of Rocket Lawyer or Legal Zoom After Exposure to its Search Ad (Q3a/b)
- Table 4. Awareness of the Rocket Lawyer Search Ad Among Respondents Who Did Not Select or Consider it (QB5a)
- Table 5. Perception of the Incorporation Offer Based on Both the Rocket Lawyer Search Ad and Website (QB7 & 8)
- Table 6. Recall if Had to Pay State Fees to the State for Incorporation with the Free Offer (QB10a)
- Table 7. Recall of a "Free Trial" Offer on the Rocket Lawyer Website (QB11)
- Table 8. Recall if the "Free Trial" Offer had a Time Limit (Q12a)
- Table 9. Respondents Perception of What Happens After the Free Trial Period (Q12bc)
- Table 10. Respondents Understanding of how they can get Answers to Questions they may have if they sign up for a Free Trial offer (Q13a)
- Table 11. Respondents Likely Action After Reviewing the Rocket Lawyer Search Ad and Website (Open End Question Q13bc)
- Table 12. Likely Action After Having Seen the Rocket Lawyer Search Ad and Website (Q14a)
- Table 13. Reasons for Deciding to Take the Free Trial (Q14b1, b2)
- Table 14. Reasons for Deciding NOT to Take the Free Trial (Q14c)
- Table 15. Most Important Factors Affecting the use of an Online Legal Company (Q14e)
- Table 16. Respondents Experience with Free Trial Offers of Products and/or Services (Q15a, b/c, d)
- Figure 1. Decision Tree (Gen-Pop)
- Table 17. Understanding of the Offer Among All Respondents Who Either Accepted the Free Offer or Bought Other Legal Services at Level 5

Other Legal Services' Data Tables:

- Table 1. The Impact of the Rocket Lawyer Search Ad on the Choice of Rocket Lawyer and Legal Zoom (Q2)
- Table 2. The Impact of the Rocket Lawyer Search Ad on the Inclusion of Rocket Lawyer and Legal Zoom in the Consideration Set (Q4a)
- Table 3. Consumer Services - Recall of a "Free Trial" Offer (QC10, C11a/b)
- Table 4. Recall if the "Free Trial" Offer had a Time Limit (Q12a)
- Table 5. Respondents Perception of What Happens After the Free Trial Period (Q12bc)
- Table 6. Respondents Understanding of how they can get Answers to Questions they may have if they sign up for a Free Trial offer (Q13a)
- Table 7. Respondents Likely Action After Reviewing the Rocket Lawyer Search Ad and Website (Open End Question Q13bc)
- Table 8. Likely Action After Having Seen the Rocket Lawyer Search Ad and Website (Q14a)
- Table 9. Reasons for Deciding to Take the Free Trial (Q14b1, b2)
- Table 10. Reasons for Deciding NOT to Take the Free Trial (Q14c)
- Table 11. Most Important Factors Affecting the use of an Online Legal Company (Q14e)
- Table 12. Respondents Experience with Free Trial Offers of Products and/or Services (Q15a, b/c, d)
- Figure 1. Decision Tree (Gen-Pop)
- Table 13. Understanding of All Respondents Who Accepted the Free Trial or Bought Other Services at Level 5

Incorporation Services Results

Table 1:
The Impact of the Rocket Lawyer Search Ad on the Choice of Rocket Lawyer and Legal Zoom (Q2)

	<u>Incorporation Service</u>	
	<u>Test</u> (State Fee Disclosure in ad)	<u>Control</u> (No State Fee Disclosure in ad)
	%	%
	(n=104)	(n=103)
Rocket Lawyer	35.6	34.0
Legal Zoom	64.4	68.0

Conclusion²⁴: The Rocket Lawyer search engine ad had no impact on the selection of either Rocket Lawyer or Legal Zoom since there is no significant difference between the Test and Control groups. Whether Rocket Lawyer disclosed state fees or not in the search engine ad had no effect on respondents' selection of Rocket Lawyer or LegalZoom.

²⁴ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

**Table 2:
The Impact of the Rocket Lawyer Search Ad on the Inclusion of Rocket Lawyer and Legal Zoom in the Consideration Set (Q4a)**

	<u>Incorporation Service</u>	
	<u>Inclusion of Rocket Lawyer in Consideration Set</u>	
	<u>Test</u> (State Fee Disclosure in ad)	<u>Control</u> (No State Fee Disclosure in ad)
<i>Data is represented in Absolute Numbers²⁵</i>	#	#
Rocket Lawyer (n=67, 68)*	10	10
Legal Zoom (n=37, 33)*	13	11

*BASE: Brand not chosen in Q2

Conclusion²⁶: When given a second chance to choose Rocket Lawyer, the Rocket Lawyer search engine ad had no impact on the inclusion of either Rocket Lawyer or Legal Zoom in the consideration set since there is no significant difference between the Test or Control groups. Whether Rocket Lawyer disclosed state fees or not in the search engine ad had no effect on respondents' selection of Rocket Lawyer or LegalZoom.

²⁵ When the number of respondents is small (typically below 50) we are reporting the raw number and not percentages.

²⁶ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

Table 3:
Reasons for selection of Rocket Lawyer or Legal Zoom After Exposure to its Search Ad (Q3a/b)

	Incorporation Service			
	<u>Selection of Rocket Lawyer</u>		<u>Selection of Legal Zoom</u>	
	<u>Test</u> (State Fee Disclosure in ad)	<u>Control</u> (No State Fee Disclosure in ad)	<u>Test</u> (State Fee Disclosure in ad)	<u>Control</u> (No State Fee Disclosure in ad)
<i>Base: Respondents who selected Brand at Q2</i>	(n=37)	(n=35)	(n=67)	(n=70)
Data is represented in Absolute Numbers	#	#	#	#
Positive/Neutral Comments (Grand-Net)	36	35	66	70
Free (Net)	25	18	2	2
Familiarity (Net)	5	9	51	43
Fast Service (Net)	4	0	1	0
Offers Needed Service (Net)	2	1	5	1
To Accomplish Specific Task (Net)	2	0	4	10
Cost (Net)	1	3	1	1
Location Related (Net)	1	3	0	1
How Search Engine Has It Listed (Net)	1	2	0	2
Easy to Use (Net)	0	1	3	2
Looks Professional/Reliable (Net)	0	1	13	12
Features of Service (Net)	0	1	2	2
Other Reasons (Net)	8	11	7	21
Negative Comments (Net)	0	0	0	0
Don't know	0	0	0	0
No answer	1	0	1	0

Conclusion²⁷: *There is no significant difference between the test and control groups in their open ended reasons for selection of Rocket Lawyer or LegalZoom. Directionally, however, “free” was more often a factor among the Rocket Lawyer test group than the control group (which did not disclose state fees with its free offer). Thus, “free” was more of a consideration for choosing Rocket Lawyer where state fees were disclosed.²⁸*

²⁷ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

²⁸ This is consistent with the responses of what appears to be a skeptical sub-group within the respondent populations. Numerous respondents expressed their skepticism for “free” offers. “Free. Do not trust as much” (ID 2058); “free is usually not really free” (ID 2221); “nothing is free” (ID 6309).

Table 4:
Awareness of the Rocket Lawyer Search Ad Among Respondents Who Did Not Select or Consider it (QB5a)

	<u>Incorporation Service</u>	
	<u>Test</u> (State Fee Disclosure in ad)	<u>Control</u> (No State Fee Disclosure in ad)
	%	%
<i>Base: Rocket Lawyer not selected at Q2/Q4</i>	(n=57)	(n=58)
Aware	56.1	63.8
Not Aware	33.3	31.0
Don't Know	10.5	5.2

Conclusion²⁹: *Most of the respondents who did not select or consider Rocket Lawyer were aware of the Rocket Lawyer search engine ad. There is also no significant difference between the test and control groups.*

²⁹ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

Incorporation Service

**Table 5:
Perception of the Incorporation Offer Based on Both the Rocket Lawyer Search Ad and Website
(QB7 & 8)**

	Incorporation Service	
	Test (State Fee Disclosure in ad)	Control (No State Fee Disclosure in ad)
	%	%
	(n=104)	(n=103)
Positive/Neutral Comments (Grand-Net)	86.5	86.4
Fast/Easy To Use (Net)	46.2	38.8
Other Cost Related (Net)	22.1	23.3
Good/Reasonable Cost (subnet)	13.5	6.8
Good cost/price	6.7	3.9
It's a fair/reasonable offer	4.8	1.9
Other Cost	1.9	1
Specific Amount Charged for Selected Services (subnet)	8.7	17.5
Happens After Trial Period (Net)	14.4	19.4
Various Payment Options (subnet)	9.6	9.7
You can pay more for additional features/information/services	7.7	6.8
Different payment options	1.9	3.9
You're Charged/Credit Card is Charged (subnet)	4.8	3.9
Specific Amount You Will Be Charged (subnet)	2.9	4.9
Other Happens After Trial (subnet)	1.9	3.9
Good for specific (legal) uses (Net)	13.5	13.6
Mentioned Free Trial (Net)	12.5	14.6
Other mentioned free trial (subnet)	12.5	13.6
Free access to documents/printing during free trial (sub-net)	0.0	1.0
Other Service Features (Net)	12.5	19.4
Availability of Documents/Printing (w/out Mentioning free Trial) (Net)	1.0	3.9
It's good/nice (general)	9.6	5.8
Has online help/chat assistance/800# help	3.8	10.7
Trial offer (no mention of free)	3.8	2.9
Negative Comments (Net)	29.8	38.8
Cost-Related (subnet)	19.2	25.2
Need to pay state fees/there are fees, costs to file (during the trial)	11.5	9.7
It's not (really) free	3.8	10.7
Too expensive	3.8	2.9
Don't like extra/ hidden fees/costs	2.9	3.9
Have to remember to cancel or you get charged	0	1
Other Negative Mentions (subnet)	8.7	14.6
Offer is Lacking Information/Confusing (subnet)	4.8	11.7
Security/Trust Issues (subnet)	3.8	6.8
Would Not Recommend (subnet)	0.0	4.9
None/Nothing	4.8	1.0
Don't know/ No Answer	2.9	1.9

**Table 5 (Con't):
Perception of the Incorporation Offer Based on Both the Rocket Lawyer Search Ad and Website
(QB7 & 8)**

Conclusion³⁰: Respondents' perceptions of the Incorporation offer based on both the Rocket Lawyer search engine ad and website was mostly favorable and did not differ between the test and control groups re the issues of concern – the free trial and cost. The only exception is with respect to one of the twenty two comparisons –respondents in the control group (disputed advertisements) are significantly more likely to perceive that “it’s not really free.” Thus, whether respondents viewed the free offer favorably was not significantly impacted by the search engine ad, except that where sate fees were not disclosed, respondents viewed the offer more negatively.

³⁰ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

**Table 6:
Recall if Had to Pay State Fees to the State for Incorporation with the Free Offer (QB10a)**

	<u>Incorporation Service</u>	
	<u>Test</u> (State Fee Disclosure in ad)	<u>Control</u> (No State Fee Disclosure in ad)
	%	%
	(n=104)	(n=103)
Yes	70.2	68.9
No	13.5	14.6
Don't Know	16.3	16.5

Conclusion³¹: The vast majority of the respondents recalled the need to pay state fees and there is no significant difference between the test and control groups in recalling the request to pay state fees. Thus, disclosure of the state fees in the search engine ad had no effect on respondents' understanding of the need to pay state fees after respondents continued through the consumer journey to RocketLawyer.com.

³¹ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

**Table 7:
Recall of a “Free Trial” Offer on the Rocket Lawyer Website (QB11)**

	<u>Incorporation Service</u>	
	<u>Test</u> (State Fee Disclosure in ad)	<u>Control</u> (No State Fee Disclosure in ad)
	%	%
	(n=104)	(n=103)
Yes	76.0	80.6
No	11.5	12.6
Don't Know	12.5	6.8

Conclusion³²: The vast majority of respondents recalled a Free Trial offer but there is no significant difference between the test and control groups in this recall of a “Free Trial” offer.

³² The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

**Table 8:
Recall if the “Free Trial” Offer had a Time Limit (Q12a)**

	<u>Incorporation Service</u>	
	<u>Test</u> (State Fee Disclosure in ad)	<u>Control</u> (No State Fee Disclosure in ad)
	%	%
<i>Base: Aware of Free Trial Offer</i>	(n=92)	(n=90)
Yes	58.7	60.0
No	23.9	15.6
Don't Know	17.4	24.4

Conclusion³³: *Most respondents recalled the time limit of the free trial offer and there is no significant difference between the test and control groups in the recall of a time limit on the free trial offer. Thus, placing the free trial disclosures in a red box to further set apart the free trial information from the other text on the webpage (test stimuli) had no effect of respondents' understanding of the free trial offer.*

³³ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

**Table 9:
Respondents Perception of What Happens After the Free Trial Period (Q12bc)**

	Incorporation Service	
	<u>Test</u> (State Fee Disclosure in ad)	<u>Control</u> (No State Fee Disclosure in ad)
<i>Data is represented in Absolute Numbers</i>	#	#
<i>Base: To those aware of time limit</i>	(n=54)	(n=54)
Charged After Trial (Net)	42	39
One Week Trial	5	3
Other Length of Trial (Net)	2	2
Don't know	3	8
No answer	-	1

Conclusion³⁴: *Among the respondents, who were asked about their perceptions of what happens after the free trial period, the vast majority knew that they would be charged after the trial and there is no significant difference between the test and control groups. Thus, placing the free trial disclosures in a red box to further set apart the free trial information from the other text on the webpage (test stimuli) had no effect of respondents' understanding of the free trial offer.*

³⁴ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

**Table 10:
Respondent Understanding of how they can get Answers to Questions they may have if they sign up for a Free Trial offer (Q13a)**

	Incorporation Service	
	Test (State Fee Disclosure in ad)	Control (No State Fee Disclosure in ad)
	%	%
	(n=104)	(n=103)
Phone (Net)	56.7	52.4
Call/By phone n/s	25	17.5
Call/By phone to the free/800#	19.2	17.5
Call the number listed/the number shown	12.5	17.5
Online (Net)	28.8	24.3
Online n/s	10.6	4.9
Online chat	11.5	12.6
Use the website/at the website n/s	5.8	5.8
Use the link/There was a link	1.9	1
They have an FAQ list	0	0
Other (Net)	36.5	30.1
Email	17.3	12.6
Contact customer service	6.7	3.9
Contact them n/s	5.8	4.9
They have a help line/help button	1	1.9
Contact a Lawyer (Sub-Net)	1.9	1
Call a lawyer	1	0
You can talk to their lawyers	1	1
Other mentions	3.8	5.8
Don't know (Net)	9.6	20.4
Don't know	8.7	16.5
None/Nothing	0	1
No answer	1	2.9

Conclusion³⁵: The majority of respondents knew that they could contact Rocket Lawyer (by phone, online, or other ways) if they had any questions. And there is no significant difference between the test and control groups with one exception that a few more respondents in the control group said “don’t know.”

³⁵ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

Table 11:
Respondents' Likely Action After Reviewing the Rocket Lawyer Search Ad and Website (Q13bc)

	Incorporation Service	
	Test (State Fee Disclosure in ad)	Control (No State Fee Disclosure in ad)
	%	%
	(n=104)	(n=103)
Would Consider/Try (Grand Net)	80.8	71.8
Would Consider It (Net)	52.9	44.7
Would Try It (Net)	26.9	16.5
Would keep looking/continue researching	2.9	11.7
Other Positive/Neutral mentions	1.9	4.9
Would Not Be Interested/Wouldn't Use (Net)	13.5	20.4
Nothing	2.9	4.9
Don't know	3.8	1.0
No answer	0.0	2.9

Conclusion³⁶: *The respondents to the test stimuli (with explicit disclosure of the state fee in the ad) were slightly more likely to consider or try the offer. The respondents in the control group (with no explicit disclosure in the ad for state fees) were much more likely to keep searching or to not be interested in the offer. Thus, not disclosing state fees up front in the search engine ad (control stimuli) reduced the likelihood that a respondent would do business with Rocket Lawyer and increased the likelihood that the consumer would consider other online legal services competitors.*

³⁶ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

**Table 12:
Likely Action After Having Seen the Rocket Lawyer Search Ad and Website (Q14a)**

	<u>Incorporation Service</u>	
	<u>Test</u> (State Fee Disclosure in ad)	<u>Control</u> (No State Fee Disclosure in ad)
	%	%
	(n=104)	(n=103)
Take the free trial (includes free processing)	27.9	23.3
Continue searching on other online legal service sites	36.5	45.6
Ask other people about the service	14.4	13.6
Decide not to buy an online legal service	2.9	2.9
Pay for incorporation services (without free trial - \$99.95)	9.6	3.9
Other	4.8	4.9
Don't Know	3.8	5.8

Conclusion³⁷: The majority of respondents did not plan on taking the free trial offer. In general, there are no significant differences between the test and control groups. Directionally however, a slightly higher percentage of the respondents in the test group planned to take the free trial offer or pay for incorporation services without free trial. While a much higher percentage of the control respondents planned to continue searching. Thus, not disclosing state fees up front in the search engine ad (control stimuli) reduced the likelihood that a respondent would do business with Rocket Lawyer and increased the likelihood that the consumer would consider other online legal services competitors.

³⁷ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

**Table 13:
Reasons for Deciding to Take the Free Trial (Q14b1, b2)**

	Incorporation Service	
	Test (State Fee Disclosure in ad) (n=29)	Control (No State Fee Disclosure in ad) (n=24)
<i>Base: Respondents who selected 'Free Trial' at Q14a</i>	(n=29)	(n=24)
Data is represented in Absolute Numbers	#	#
Positive/Neutral Comments (Net)	28	24
Cost (Net)	9	12
It's free	5	6
Good deal/not expensive	3	3
Not charged if cancel	0	2
Other Inexpensive mentions	1	1
Convenient (Net)	6	3
Easy to use	5	2
Fast	2	1
Useful (Net)	1	1
To try it out (general)/See if I like it/If it's useful	5	3
Sounds good (general)	4	1
Like to try (things) before joining/buying	4	3
Looks reputable/respectable	2	1
Get to ask questions/get legal assistance	1	0
It's what I'm looking for/the kind of service I need	0	1
Want to use the forms/get the forms	0	0
Don't need for more than trial/would use it once and cancel	0	0
It's visually appealing/looks nice/popped out at me	0	1
Other Positive mentions	1	3
Negative Comments (Net)	0	0
All Negative comments	0	0
Don't know	1	0

Conclusion³⁸: Among those who decided to take the free trial offer, there is no significant difference between the test and control groups with respect to their reasons for deciding to take the free trial offer, thus, revising the advertisement and the free trial disclosure format did not impact the purchasing decision.

³⁸ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

**Table 14:
Reasons for Deciding NOT to Take the Free Trial (Q14c)**

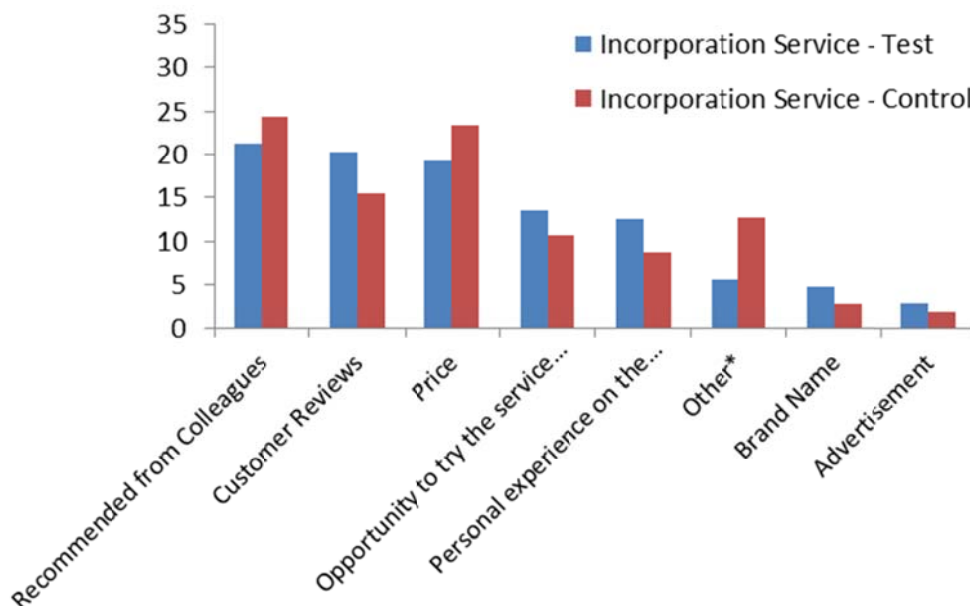
	Incorporation Service	
	Test (State Fee Disclosure in ad)	Control (No State Fee Disclosure in ad)
	%	%
<i>Base: Respondents who did not select 'Free Trial' at Q14a</i>	(n=75)	(n=79)
Positive/Neutral Comments (Net)	5.3	6.3
Negative Comments (Grand-Net)	90.7	83.5
Cost Related (Net)	25.3	22.8
Need More Information/Research Before Deciding (Net)	24.0	22.8
Limited Need for Service (Net)	12.0	8.9
Skeptical About Offer (Net)	12.0	13.9
Miscellaneous		
Trial term too short/One week isn't long enough	6.7	2.5
Would rather (just) go ahead and get it/not bother with the trial period	4.0	1.3
Don't like it/don't want it (general)	2.7	2.5
Don't want to give my credit card information	2.7	2.5
Concerned the quality of the work may not be valid/hold up in court	2.7	2.5
Don't want to have to (remember to) cancel	1.3	3.8
Results in my getting (more/lots of) emails/solicitations	1.3	0.0
Too much trouble/hassle/not easy to do	1.3	0.0
Didn't see/notice that there was a free trial	1.3	1.3
May try later/Just not now/Will wait a while	0.0	1.3
Other mentions	5.3	6.3
Nothing	0.0	1.3
Don't know	4.0	6.3
No answer	0.0	2.5

Conclusion³⁹: Among those who decided not to take the free trial offer there are no significant differences between the test and control groups with respect to their reasons for not taking the free trial offer. Thus, revising the advertisement and the free trial disclosure format did not impact the purchasing decision.

³⁹ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

Table 15:
Most Important Factors Affecting the use of an Online Legal Company (Q14e)

Incorporation Service:



Conclusion: Advertising and Brand Name were the least important factors affecting the use of an online legal service company.

Data within bar charts:

	Incorporation Service	
	Test (State Fee Disclosure in ad) %	Control (No State Fee Disclosure in ad) %
	(n=104)	(n=103)
Recommended from Colleagues	21.2	24.3
Customer Reviews	20.2	15.5
Price	19.2	23.3
Opportunity to try the service for free	13.5	10.7
Personal experience on the website	12.5	8.7
Other (Net)*	5.7	12.7
Brand Name	4.8	2.9
Advertisement	2.9	1.9

*The Other listed features included:

- Clarity of changes.
- The ability to get forms directly for government for free.
- Availability of the information for free from other sources.
- Order listed on yahoo.
- Privacy guaranteed.
- Whether web site runs smooth without any slowness.
- Fake ad for free trial.
- Is good.
- Thorough.
- Very helpful.
- Advertisement.

- Account set up.
- One time usage.
- No obligations.
- Lease agreements.
- Business planning.
- Restrictions on site.
- To friends and family.
- State specific statutes.
- Range of services and products.
- Personal experience on the website.
- Time required to complete the filing.
- Face to face when handling personal matters.
- Explanation of different incorporation methods.
- How does the company stand behind their product.

Table 16:
Respondents Experience with Free Trial Offers of Products and/or Services (Q15a, b/c, d)⁴⁰

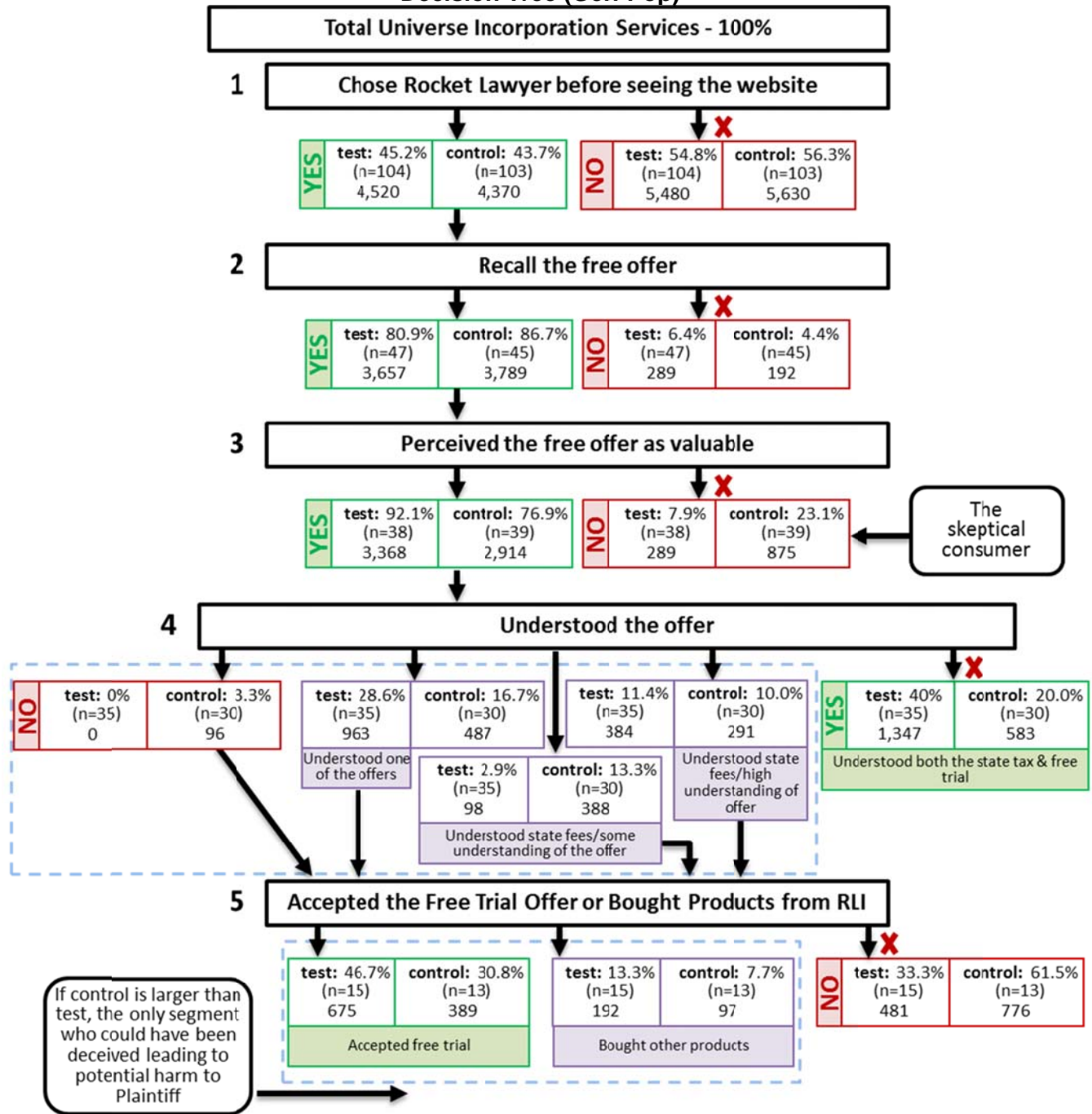
	Incorporation Service	
	Test (State Fee Disclosure in ad)	Control (No State Fee Disclosure in ad)
	%	%
Encountered Free Trial Offers (Q15a)	(n=104)	(n=103)
Yes	56.7	62.1
No	39.4	29.1
Don't Know	3.8	8.7
Recalled Businesses that Offer Free Trials (Q15b/c)		
<i>Base: Respondents who encountered 'Free Trials' at Q15a</i>	(n=59)	(n=64)
Entertainment Services (Net)	18.6	23.4
Legal Service (Net)	10.2	1.6
Shopping Services (Net)	8.5	12.5
Computer/Software Services (Net)	6.8	10.9
Health Related (Net)	6.8	4.7
Credit Score sites	10.2	6.3
Genealogy sites (ancestry.com, archives.com)	5.1	1.6
Dating services	3.4	1.6
Cosmetics/Personal care items	1.7	6.3
Linked In	1.7	0.0
Phones/Phone Apps	0.0	1.6
Pet services	0.0	3.1
Angie's List	0.0	1.6
HR/Employment services	0.0	1.6
Lots of companies do	0.0	1.6
Other mentions ⁴¹	25.4	25.0
Nothing	5.1	6.3
Don't know	18.6	9.4
No answer	8.5	7.8
Percent of Respondents who have enrolled in free offer programs (Q15d)		
<i>Base: Respondents who encountered 'Free Trials' at Q15a</i>	(n=59)	(n=64)
Yes	47.5	51.6
No	49.2	45.3
Don't Know	3.4	3.1

Conclusion: The majority of respondents had prior experience with free trials. There are no significant differences between the test and control groups in their experience with Free trial offers both when it came to encountering them as well as enrolling in them.

⁴⁰ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

⁴¹ **Other Mentions:** Good; Yidio; Go Daddy Wix; Reverse Look up; Fraud protection; Zoosk; Beezid.com; Stock news letters; Investment services; Subscription services; Can't remember. Free inc; Freebies women get it free turbo tax; Hosiery companies; Vacuum companies. Many of the kitchen gadget manufacturers; Web conferencing companies email arketing companies recipe sites; Almost everyone on the net offers free trials. I view them as a way to get my credit card number. Nothing in life is free; Narx; Cabela's; Bow Flex; Turbo tax; Cable TV; Dating services; Pimliar language; Stamps.com; efax; Linked In premium; News source access; Blog Reader service; Real estate searches; Business card makers; IHOP free meal; Chili's free appetizer; It seemed legitimate. (probe) It seemed legitimate; Quoting systems meeting systems (GoToMeeting; etc.).

Figure 1:
Decision Tree (Gen-Pop)⁴²



Conclusions⁴³: The online legal services incorporation/business formation population is quite heterogenous as demonstrated by the tree. The only consumer segment who could have been deceived are the respondents in the 5th level of the tree and they include 389 out of 10,000 i.e. less than 4%. But it is important to note that there are no significant differences between the test and control groups and in fact, directionally, there are more respondents in the test group (the modified stimuli responding to LegalZoom’s suggestions) than the control group (the disputed RLI stimuli) in this segment. Thus, there is no harmed population.

⁴² The “n=” is the base number of respondents on which the percentage calculations are based.

The Total Universe of 100% is representative by a sample of 10,000 to illustrate the size of the consumer segment.

⁴³ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

Table 17: Understanding of the Offer Among All Respondents Who Either Accepted the Free Offer or Bought Other Legal Services at Level 5

Classifications:

No understanding – did not understand state fee or time limit on free trial

Low understanding – did not understand either the state fee or the free trial time limit

Some Understanding – understood state fees, understood free trial time limit

High Understanding – understood state fees, understood free trial time limit, understood that either the length of time limit or the need to cancel⁴⁴

GENERAL POPULATION – This includes all respondents who qualifies for level 5

Accepted Free Trial

Test		Control	
ID	Conclusion	ID	Conclusion
2193	Low understanding – does not understand state fees and high understanding of free trial offer	6941	Low understanding – understood state fees, but was not aware of the time limit on the free trial
7460	Low understanding – does not understand state fees and high understanding of free trial offer	5610	Some understanding – understood state fees, understood time limit, although this user has experience with free trials, no responses suggest that the user understood the need to cancel or length of trial
5944	Low understanding - understood state fees but did not recall time limit on free trial	6127	Some understanding – understood state fees, understood time limit, but states that respondent did not know what happened after free trial, even though prior experience with free trials
6973	Low understanding – understood state fees, but did not know time limit on free trial	2647	High understanding – understood state fees, was aware of the time limit, “I am cheap” and “I do not see the advantage of joining” and prior experience with free trial demonstrates likelihood that respondent knew to cancel before the trial period ended
2564	Some understanding – understood state fees and time limit, but responses do not demonstrate knowledge of subsequent charge		
5797	Some/High understanding – understood state fees, understood time limit. “option to continue” is ambiguous about whether the respondent understood charge after free trial period		
2326	High understanding – understood state fees, understood time limit, understood that payment is required to continue, but responses do not demonstrate the need to cancel to avoid charge		

⁴⁴ Based on Level 4, no respondents with the highest level of understanding (Yes category at Level 4) were analyzed at Level 5. This analysis is based on the responses provided at Level 4 and 5 of the tree within the context of all other responses to the questionnaire.

Table 17 (Con't): Understanding of the Offer Among All Respondents Who Either Accepted the Free Offer or Bought Other Legal Services at Level 5

Classifications:

No understanding – did not understand state fee or time limit on free trial

Low understanding – did not understand either the state fee or the free trial time limit

Some Understanding – understood state fees, understood free trial time limit

High Understanding – understood state fees, understood free trial time limit, understood that either the length of time limit or the need to cancel⁴⁵

GENERAL POPULATION – This includes all respondents who qualifies for level 5

Other Business to Rocket Lawyer

Test		Control	
ID	Conclusion	ID	Conclusion
2488	Some understanding/high understanding - understood the state fee. Did not know that there was a time limit, but was aware of the price of the monthly plans. Was confused by the different prices encountered	3332	Some understanding – understood state fee and understood free trial time limit. But user chose to pay for processing because “It was only \$99.95” and thus it is unclear whether user understood that state fees still apply.
3274	High understanding - understood state fee and time limit on free trial was one week, but was skeptical – “nothing is free”		

Conclusion: Although there are no significant differences between the test and control groups with respect to those who have provided Rocket Lawyer with business, directionally, more test respondents who demonstrate some level of confusion accepted the free trial or provided Rocket Lawyer with other business. The test group has also demonstrated that the level of understanding of the free trial may be lower than the level of understanding of those in the control group. All control respondents knew to pay state fees, whereas a third of the test respondents did not know that they had to pay state fees. Otherwise the level of understanding is similar between the Test and Control.

The only respondents who may have been confused by Rocket Lawyer’s free offer as offered in the control stimuli are those at the 5th level. The percentage of those who accepted the free trial that was confused was less than 4%. But, because there is no significant difference between the test and control groups and directionally, the population at issue is greater in the test than the control, there is no harmed population. If Rocket Lawyer had advertised according to LegalZoom’s proposed standards, there would have been no significant difference in the number of respondents who were confused about some aspect of the offer and also accepted the free trial.

Less than 1% of respondents who provided other business to Rocket Lawyer in the control group were confused by the offer. But, because there is no significant difference between the test and control groups and directionally, the population at issue is greater in the test than the control, there is no harmed population.

⁴⁵ Based on Level 4, no respondents with the highest level of understanding (Yes category at Level 4) were analyzed at Level 5. This analysis is based on the responses provided at Level 4 and 5 of the tree within the context of all other responses to the questionnaire.

Other Legal Services Results

Other Legal Services

**Table 1:
The Impact of the Rocket Lawyer Search Ad on the Choice of Rocket Lawyer and Legal Zoom (Q2)**

		<u>Other Legal Services</u>	
		<u>Test</u> (Red Box)	<u>Control</u> (Original Format)
		%	%
		(n=108)	(n=107)
Divorce	Rocket Lawyer	9.3	13.1
Bill of Sale	Rocket Lawyer	6.5	10.3
Lease Agreement	Rocket Lawyer	10.2	13.1
Power of Attorney	Rocket Lawyer	7.4	10.3
	Legal Zoom	19.4	18.7

Conclusion⁴⁶: The Rocket Lawyer search engine ad had no significant impact on the selection of either Rocket Lawyer or Legal Zoom since there is no significant difference between the Test and Control groups.

⁴⁶ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

Table 2:
The Impact of the Rocket Lawyer Search Ad on the Inclusion of Rocket Lawyer and Legal Zoom in the Consideration Set (Q4a)

		<u>Other Legal Services</u>	
		<u>Inclusion of Legal Zoom in Consideration Set</u>	
		<u>Test</u> (Red Box)	<u>Control</u> (Original Format)
		%	%
Divorce	Rocket Lawyer (n=98, 93)*	4.1	5.4
Bill of Sale	Rocket Lawyer (n=101, 96)*	4.0	8.3
Lease Agreement	Rocket Lawyer (n=97, 93)*	6.2	4.3
Power of Attorney	Rocket Lawyer (n=100, 96)*	2.0	3.1
	Legal Zoom (n=87, 87)*	1.1	0.0

*BASE: Brands not chosen in Q2

Conclusion⁴⁷: *When given a second chance to choose Rocket Lawyer or LegalZoom, there is no significant difference between the test and control groups with respect to the inclusion of these brands in the consideration set of respondents.*

⁴⁷ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

Other Legal Services

Table 3:
Consumer Services - Recall of a "Free Trial" Offer (QC10, C11a/b)

	Other Legal Services	
	Test (Red Box)	Control (Original Format)
	%	%
<i>Base: Respondents recalled 'Free Trial' offer at QC9a</i>	(n=99)	(n=94)
Positive/Neutral Comments (Grand-Net)	92.9	88.3
Mentioned Free Trial (Net)	73.7	70.2
Free access to documents/printing during free trial (sub-net)	18.2	13.8
Other mentioned free trial (subnet)	68.7	69.1
Time Period Without Mentioning Free Trial (Net)	24.2	17.0
Happens After Trial Period (Net)	23.2	33.0
You're Charged/Credit Card is Charged (subnet)	12.1	17.0
Specific Amount You Will Be Charged (subnet)	6.1	12.8
Various Payment Options (subnet)	3.0	4.3
Other Happens After Trial (subnet)	5.1	4.3
Fast/Easy To Use (Net)	8.1	10.6
Good for specific (legal) uses (Net)	7.1	7.4
Availability of Documents and Printing (without Mentioning free Trial) (Net)	6.1	5.3
Other Cost Related (Net)	6.1	4.3
Good/Reasonable Cost (subnet)	6.1	4.3
Other Service Features (Net)	5.1	5.3
It's good/nice (general)	9.1	6.4
Worth a try/could try it out	9.1	12.8
Trial offer (no mention of free)	4.0	1.1
Use it once/Tell them to use it one time	4.0	0.0
Has online help/chat assistance/800# help	2.0	3.2
Legal assistance available/(Local) lawyer available to help review contracts	1.0	3.2
Other Miscellaneous mentions	4.0	3.2
Negative Comments (Net)	28.3	23.4
Security/Trust Issues (subnet)	14.1	13.8
Cost-Related (subnet)	5.1	6.4
It's not (really) free	3	3.2
Have to remember to cancel or you get charged	2	2.1
Need to pay state fees/there are fees, costs to file (during the trial)	0	1.1
Too expensive	0	1.1
Would Not Recommend (subnet)	4.0	7.4
Offer is Lacking Information/Confusing (subnet)	3.0	1.1
Other Negative Mentions (subnet)	10.1	4.3
None/Nothing	2.0	1.1
Don't know	12.1	11.7
No answer	3.0	5.3

Table 3 (Cont’):
Consumer Services - Recall of a “Free Trial” Offer (QC10, C11a/b)

Conclusion⁴⁸: The vast majority of respondents of both the test and control groups recalled a free mention. There is no significant difference between the Test and Control group.

⁴⁸ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

Table 4:
Recall if the “Free Trial” Offer had a Time Limit (Q12a)

	Other Legal Services	
	Test (Red Box) %	Control (Original Format) %
<i>Base: Aware of Free Trial Offer</i>	(n=104)	(n=101)
Yes	67.3	66.3
No	16.3	11.9
Don't Know	16.3	21.8

Conclusion⁴⁹: *Most respondents recalled the time limit of the free trial offer and there is no significant difference between the test and control groups in the recall of a time limit on the free trial offer. Thus, placing the free trial disclosures in a red box to further set apart the free trial information from the other text on the webpage (test stimuli) had no effect of respondents’ understanding of the free trial offer.*

⁴⁹ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

Table 5:
Respondents Perception of What Happens After the Free Trial Period (Q12bc)

	Other Legal Services	
	<u>Test</u> (Red Box)	<u>Control</u> (Original Format)
<i>Data is represented in Absolute Numbers</i>	#	#
<i>Base: To those aware of time limit</i>	(n=70)	(n=67)
Charged After Trial Period (Net)	52	54
One Week Trial	8	5
Other Length of Trial (Subnet)	5	3
Nothing	1	-
Don't know	7	3
No answer	-	1

Conclusion⁵⁰: *The majority of respondents perceived correctly that they will be charged some amount after the trial period. There is no significant difference between the test and control groups. Thus, placing the free trial disclosures in a red box to further set apart the free trial information from the other text on the webpage (test stimuli) had no effect of respondents' understanding of the free trial offer.*

⁵⁰ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

Table 6:
Respondent Understanding of how they can get Answers to Questions they may have if they sign up for a Free Trial offer (Q13a)

	Other Legal Services	
	Test (Red Box)	Control (Original Format)
	%	%
	(n=108)	(n=107)
Phone (Net)	37	23.4
Call/By phone n/s	16.7	15
Call/By phone to the free/800#	7.4	3.7
Call the number listed/the number shown	13	4.7
Online (Net)	43.5	33.6
Online n/s	4.6	7.5
Online chat	21.3	16.8
Use the website/at the website n/s	15.7	8.4
Use the link/There was a link	0.9	0.9
They have an FAQ list	0.9	0
Other (Net)	23.1	39.3
Email	8.3	15.9
Contact them n/s	4.6	5.6
Contact customer service	2.8	1.9
They have a help line/help button	2.8	4.7
Contact a Lawyer (Sub-Net)	1.9	4.7
Call a lawyer	0	1.9
You can talk to their lawyers	1.9	2.8
Other mentions	3.7	6.5
Don't know (Net)	16.7	26.2
Don't know	8.3	20.6
None/Nothing	0.9	1.9
No answer	7.4	3.7

Conclusion⁵¹: *The majority of respondents knew that they could contact Rocket Lawyer (by phone or online) if they had any questions. With the exception of a few more respondents of the control group considering other options besides phone or online, there are no significant differences between the test and control groups.*

⁵¹ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis

Table 7:
Respondents' Likely Action After Reviewing the Rocket Lawyer Search Ad and Website (Q13bc)

	Other Legal Services	
	<u>Test</u> (Red Box)	<u>Control</u> (Original Format)
	%	%
	(n=108)	(n=107)
Would Consider/Try	75.0	72.0
Would Try It (Net)	40.7	38.3
Would Consider It (Net)	32.4	32.7
Would keep looking/continue researching	2.8	3.7
Cancel after trial period	0.9	0.9
Other Positive/Neutral mentions	0.0	1.9
Would Not Be Interested/Wouldn't Use (Net)	16.7	17.8
Nothing	0.0	4.7
Don't know	3.7	1.9
No answer	5.6	5.6

Conclusion⁵²: *Most respondents in both the test and control groups would consider trying the free trial offer and there is no significant difference between the test and control groups.*

⁵² The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

**Table 8:
Likely Action After Having Seen the Rocket Lawyer Search Ad and Website (Q14a)**

	Other Legal Services	
	<u>Test</u> (Red Box)	<u>Control</u> (Original Format)
	% (n=108)	% (n=107)
Take the free trial (includes access to all Rocket Lawyer forms)	41.7	38.3
Continue searching on other online legal service sites	25.9	21.5
Ask other people about the service	10.2	3.7
Decide not to buy an online legal service	5.6	10.3
Enroll in a monthly plan (access to all forms and help from attorneys for \$17.95 per month, includes attorney review of forms after 90 days)	3.7	3.7
Buy the form (without the free trial)	2.8	2.8
Enroll in an annual plan (access to all forms and attorney services immediately for \$9.99 a month when prepaying for one year)	1.9	7.5
Pay for incorporation services (without free trial - \$99.95)		
Other	3.7	3.7
Don't Know	4.6	8.4

Conclusion⁵³: The majority of respondents did not plan on taking the free trial offer and there are no significant differences between the test and control groups regarding the likely actions after having seen the RLI search engine ad and website. Greater than 35% of respondents in both the test and control groups decided to continue searching or otherwise decline the free trial offer without providing other business to Rocket Lawyer.

⁵³ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

**Table 9:
Reasons for Deciding to Take the Free Trial (Q14b1, b2)**

	Other Legal Services	
	Test (Red Box) (n=45)	Control (Original Format) (n=41)
<i>Base: Respondents who selected 'Free Trial' at Q14a</i>		
Data is represented in Absolute Numbers	#	#
Positive/Neutral Comments (Net)	43	41
Cost (Net)	14	16
It's free	10	13
Nothing to lose/No risk involved	4	2
Good deal/not expensive	0	2
Convenient (Net)	9	5
Easy to use	8	5
Fast	2	0
Useful (Net)	10	11
To try it out (general)/See if I like it/If it's useful	10	9
Want to use the forms/get the forms	6	3
Like to try (things) before joining/buying	6	3
It's what I'm looking for/the kind of service I need	3	7
Sounds good (general)	3	0
Don't need for more than trial/would use it once and cancel	2	5
Get to ask questions/get legal assistance	1	3
It's visually appealing/looks nice/popped out at me	1	5
Other Positive mentions	4	5
Negative Comments (Net)	1	0
All Negative comments	1	0
Don't know	1	0

Conclusion⁵⁴: *Among those who decided to take the free trial offer, there are no significant differences between the test and control groups.*

⁵⁴ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

**Table 10:
Reasons for Deciding NOT to Take the Free Trial (Q14c)**

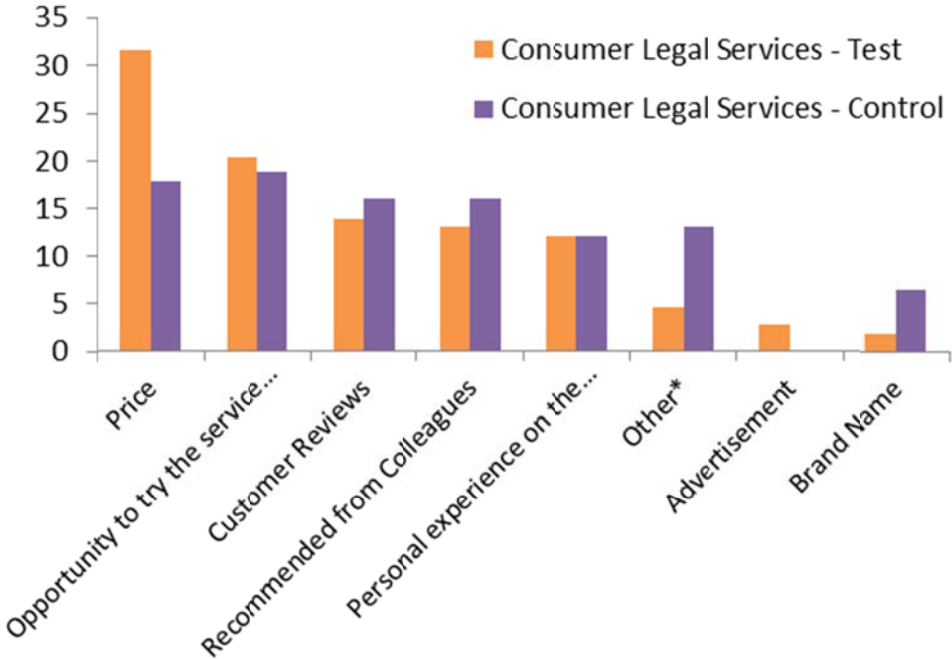
	Other Legal Services	
	Test	Control
	(Red Box)	(Original Format)
	%	%
<i>Base: Respondents who did not select 'Free Trial' at Q14a</i>	(n=63)	(n=66)
Positive/Neutral Comments (Net)	4.8	1.5
Negative Comments (Grand-Net)	87.3	84.8
Need More Information/Research Before Deciding (Net)	20.6	7.6
Cost Related (Net)	15.9	21.2
Limited Need for Service (Net)	15.9	12.1
Skeptical About Offer (Net)	11.1	7.6
Miscellaneous		
Don't want to give my credit card information	12.7	15.2
Don't want to have to (remember to) cancel	4.8	3.0
Too much trouble/hassle/not easy to do	3.2	0.0
Trial term too short/One week isn't long enough	1.6	1.5
Don't like it/don't want it (general)	1.6	4.5
Results in my getting (more/lots of) emails/solicitations	1.6	3.0
May try later/Just not now/Will wait a while	1.6	1.5
Would rather (just) go ahead and get it/not bother with the trial period	0.0	4.5
Concerned the quality of the work may not be valid/hold up in court	0.0	0.0
Didn't see/notice that there was a free trial	0.0	0.0
Other mentions	3.2	9.1
Nothing	0.0	1.5
Don't know	1.6	9.1
No answer	6.3	3.0

Conclusion⁵⁵: Among those who decided not to take a free trial there are no significant differences between the test and control groups.

⁵⁵ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

**Table 11:
Most Important Factors Affecting the use of an Online Legal Company (Q14e)**

Other Legal Services:



Conclusion: Advertising and Brand Name were the least important factors affecting the use of an online legal service company

Data within bar charts:

	Other Legal Services	
	<u>Test</u> (Red Box) %	<u>Control</u> (Original Format) %
	(n=108)	(n=107)
Price	31.5	17.8
Opportunity to try the service for free	20.4	18.7
Customer Reviews	13.9	15.9
Recommended from Colleagues	13.0	15.9
Personal experience on the website	12.0	12.1
Other (Net)*	4.5	13.1
Advertisement	2.8	0.0
Brand Name	1.9	6.5

*The Other listed features included:

- Clarity of changes.
- The ability to get forms directly for government for free.
- Availability of the information for free from other sources.
- Order listed on yahoo.
- Privacy guaranteed.
- Whether web site runs smooth without any slowness.
- Fake ad for free trial.
- Is good.
- Thorough.
- Very helpful.
- Advertisement.
- Account set up.
- One time usage.

- No obligations.
- Lease agreements.
- Business planning.
- Restrictions on site.
- To friends and family.
- State specific statutes.
- Range of services and products.
- Personal experience on the website.
- Time required to complete the filing.
- Face to face when handling personal matters.
- Explanation of different incorporation methods.
- How does the company stand behind their product.

Other Legal Services

Table 12:
 Respondents Experience with Free Trial Offers of Products and/or Services (Q15a, b/c, d)⁵⁶

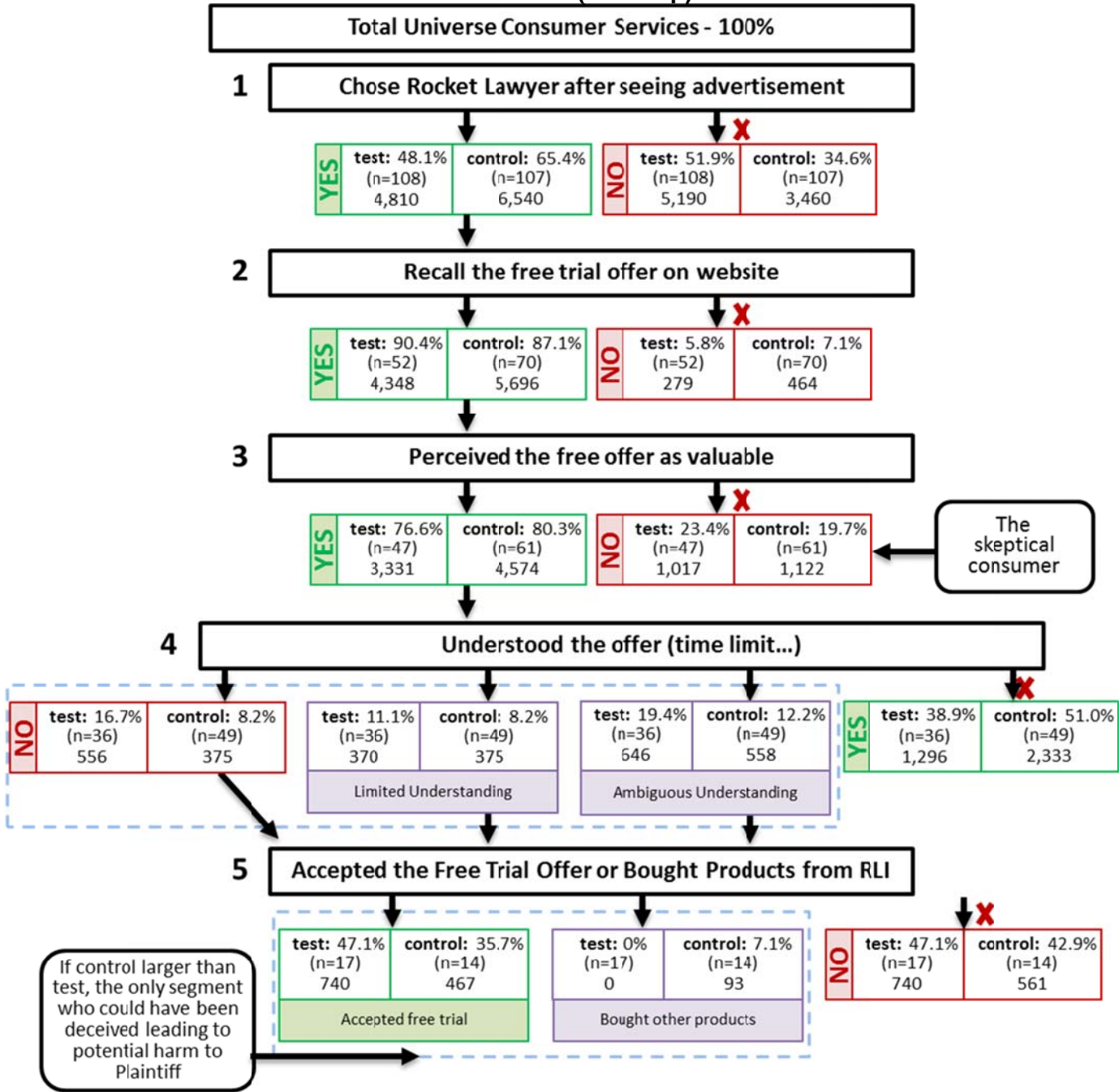
	Other Legal Services	
	Test (Red Box)	Control (Original Format)
	%	%
Encountered Free Trial Offers (Q15a)	(n=108)	(n=107)
Yes	56.5	64.5
No	38.9	27.1
Don't Know	4.6	8.4
Recalled Businesses that Offer Free Trials (Q15b/c)		
<i>Base: Respondents who encountered 'Free Trials' at Q15a</i>	(n=61)	(n=69)
Entertainment Services (Net)	27.9	20.3
Shopping Services (Net)	6.6	5.8
Health Related (Net)	6.6	2.9
Computer/Software Services (Net)	4.9	4.3
Legal Service (Net)	3.3	5.8
Credit Score sites	9.8	11.6
Genealogy sites (ancestry.com, archives.com)	4.9	4.3
Phones/Phone Apps	3.3	2.9
Lots of companies do	3.3	2.9
Cosmetics/Personal care items	1.6	4.3
Travel companies	1.6	2.9
Pet services	1.6	0.0
Linked In	0.0	1.4
Angie's List	0.0	1.4
HR/Employment services	0.0	1.4
Other mentions ⁵⁷	21.3	31.9
Nothing	9.8	14.5
Don't know	21.3	7.2
No answer	6.6	7.2
Percent of Respondents who have enrolled in free offer programs (Q15d)		
<i>Base: Respondents who encountered 'Free Trials' at Q15a</i>	(n=61)	(n=69)
Yes	50.8	40.6
No	47.5	53.6
Don't Know	1.6	5.8

Conclusion: The majority of respondents had encountered free trials – most of those who had encountered free trials had accepted them. Slightly more respondents in the Control group (original format) encountered free trial offer but fewer of them actually enrolled in free offer programs.

⁵⁶ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

⁵⁷ **Other Mentions:** AOL; Zoom; Mmos; Avast; Is good; Ask.co; Buying service; Imvu and Cappex; Modcloth, Wendys; American Express; Pimsuels language; Military History sites; Not good site. (probe) not good site; No. (probe) most are come-ons and not really free. Require action to cancel service; Yes; Tide; Sensa; Various; E cards; CVS, Tide; NY times; Tax help; Luminosity; Equity Lines; Pimsleur Method; Auto payment needed; Background searches; Job search websites; Experian transunion; LinkedIn, The Ladders; American Greeting, Join Me; Web Search (People Search); Businesses that offer printing; Free business cards from a printer; Car maintenance products, but I don't recall the exact product; Free trial on how to fix cars, and a free trial on getting contacts.

Figure 1:
Decision Tree (Gen-Pop)⁵⁸



Conclusion⁵⁹: The online legal services respondent population is quite heterogenous as demonstrated by the tree. The only consumer segment who could have been deceived are the respondents in the 5th level of the tree and they include 467 out of 10,000 i.e. less than 5%. But it is important to note that there are no significant differences between the test and control groups and in fact, directionally, there are more respondents in the test group (the modified stimuli responding to LegalZoom’s suggestions) than the control group (the disputed stimuli) in this segment. Thus, there is no harmed population.

⁵⁸ The “n=” is the base number of respondents on which the percentage calculations are based.

The Total Universe of 100% is representative by a sample of 10,000 to illustrate the size of the consumer segment.

⁵⁹ The results of the statistical test of the difference between the test and control groups are included in Appendix M – statistical analysis.

Table 13: Understanding of All Respondents Who Accepted the Free Trial or Bought Other Services at Level 5Classifications:

No/Low understanding – did not understand free trial

Some Understanding – understood free trial time limit

High Understanding – understood free trial time limit, understood that either the length of time limit or the need to cancel⁶⁰**GENERAL POPULATION – This includes all respondents who qualifies for level 5****Accepted Free Trial**

Test		Control	
ID	Conclusion	ID	Conclusion
2161	No/low understanding - does not know of the time limit and thus does not know of the automatic charge	1924	No/low understanding – does not recall time limit, limited recall of specifics, liked free opportunity to try aspect
2252	No/low understanding - did not recall time limit and this does not know about automatic charge	2131	No/low understanding – did not recall time limit, liked the free trial aspect, but was concerned about being able to opt out of emails
3485	No/low understanding of free trial – does not recall time limit and does not recall offer very well	2279	Some understanding – recalled time limit, but did not mention charge or need to cancel. But stated that wanted to re-read information provided
6704	No/low understanding, does not recall time limit and this does not know about automatic charge	2781	high understanding – understood there was a time limit on free trial, but understood there was a charge if chose to continue
2393	some understanding - recalled time limit, but did not mention charge after trial period ends	7164	high understanding – understood there was a time limit on free trial, but understood there was a charge if chose to continue
2143	high understanding – this person knows the time limit and that the person has to pay after a week, but there is no sense that the charge is automatic		
2339	High understanding – knew time limit, price and need to cancel to avoid charge. Just didn't know that the charge was automatic		
2859	high understanding – knew time limit, length of time, just does not mention charge after free trial or need to cancel		

⁶⁰ Based on Level 4, no respondents with the highest level of understanding (Yes category at Level 4) were analyzed at Level 5. This analysis is based on the responses provided at Level 4 and 5 of the tree within the context of all other responses to the questionnaire.

Table 13 (Cont’): Understanding of All Respondents Who Accepted the Free Trial or Bought Other Services at Level 5

Classifications:

No/Low understanding – did not understand free trial

Some Understanding – understood free trial time limit

High Understanding – understood free trial time limit, understood that either the length of time limit or the need to cancel⁶¹

GENERAL POPULATION – This includes all respondents who qualifies for level 5

Other Business to Rocket Lawyer

Test		Control	
ID	Conclusion	ID	Conclusion
		7326	Some understanding – understood that there was a time limit, but thought that time limit was 30 days. User liked the plan and decided to enroll in an annual plan because “For a small business who needs these types of services when they spring up \$9.99 is a killer deal.”

Conclusion: Although there are no significant differences between the test and control groups with respect to those who have provided Rocket Lawyer with business, directionally, more test respondents who demonstrate some level of confusion accepted the free trial or provided Rocket Lawyer with other business. The level of understanding may be lower in the test group than the control group.

The only respondents who may have been confused by Rocket Lawyer’s free offer as offered in the control stimuli are those at the 5th level. The percentage of those who accepted the free trial that were confused was less than 5%. But, because there is no significant difference between the test and control groups and directionally, the population at issue is greater in the test than the control, there is no harmed population. If Rocket Lawyer advertised according to LegalZoom’s proposed standards, there would be no significant difference in the number of respondents who were confused about some aspect of the offer and also accepted the free trial.

Less than 1% of respondents who provided other business to Rocket Lawyer in the Control group were confused by the offer. But, because there is no significant difference between the test and control groups, there is no harmed population. Furthermore, the respondent saw value in enrolling in an annual plan, thus any confusion regarding the free trial offer is irrelevant.

⁶¹ Based on Level 4, no respondents with the highest level of understanding (Yes category at Level 4) were analyzed at Level 5. This analysis is based on the responses provided at Level 4 and 5 of the tree within the context of all other responses to the questionnaire.

VI. Conclusions

The two double-blind experiments among customers or potential customers of online legal services, provide conclusive answers to the questions that guided the research (see Objective of Experiment). The conclusions are presented separately for the incorporation claim and the claim about disclosure of free trial on the other online legal services.

The Results

Incorporation Experiment

1. What was the size of the potentially harmed population⁶²?

There was no harmed population. Based on the tree diagram found at page 42, there is no significant difference between the test and control groups of respondents who demonstrated some confusion and accepted the free trial.

Directionally, there were more of these respondents in the test group (the modified stimuli responding to LegalZoom's suggestions) than the control group (the version in dispute). Thus, it is obvious that the versions of the Rocket Lawyer advertisements and website at issue did not cause LegalZoom any harm.

2. What, if any, was the impact of the Rocket Lawyer ad on the selection of Rocket Lawyer at the search engine stage?

The Rocket Lawyer ad had no impact on the selection of Rocket Lawyer at the search engine stage. There was no significant difference between the test and control groups when given a first and second opportunity to select Rocket Lawyer. (Incorporation Tables 1 and 2)

Of those who chose Rocket Lawyer, the fact that the service was advertised as "free" was more often a consideration for choosing Rocket Lawyer for those in the test group, where state fees were disclosed. (Incorporation Table 3)

3. What, if any, was the impact of the search ad and website on:

a. Consumers' understanding of the need to pay state fees?

The search engine advertisement and website had no impact on respondents' understanding of the need to pay state fees. The majority of respondents recalled the need to pay state fees and there was no significant difference between the test and control groups. (Incorporation Table 6) Thus, the search engine ad had no impact on consumers' understanding of the need to pay state fees after visiting the website.

b. Consumers' understanding of the free trial offer?

The search engine advertisement and website had no impact on respondents' understanding of the free trial offer. The majority of respondents recalled that the free trial had a time limit and there was no significant difference between the test and control groups. (Incorporation Table 8) In addition, of those who recalled that there was a time limit to the free trial, the majority knew that they would be charged after the trial and there is no significant difference between the test and control groups. (Incorporation Tables 8 and 9). Thus, the search ad had no impact on consumers' understanding of the free trial offer after visiting the website.

⁶² Using the tree diagrams at pages 42 & 59, at Level 5, if there is a significantly greater number in the Control groups than in the Test groups, then those above the level of harm demonstrated in the Test groups is the harmed population.

c. Consumers' decision to accept the free offer?

A majority of respondents did not plan on taking the free trial offer or provide other business to Rocket Lawyer. The non-disclosure of state fees in the search engine ad (the control stimuli) led to a higher percentage of control respondents deciding to continue searching for other online legal services providers. (Incorporation Table 12) Thus, the search engine ad had no impact on consumers' decision to accept the free trial offer after visiting the website. However, not disclosing state fees increased the likelihood that consumers would not accept the free offer and continue searching for other providers.

4. What, if any, was the impact of the LegalZoom formatting of the free trial disclosures on the understanding and acceptance of the free offer?

Revising Rocket Lawyer's disclosures to conform to LegalZoom's formatting of its free trial program had no impact on respondents' understanding of the free trial and their decision to accept the free trial. (Incorporation Tables 8, 9, and 12) Thus, revising Rocket Lawyer's free trial disclosures to mimic LegalZoom's would have no impact on consumers' understanding of the free offer or whether they chose to do business with Rocket Lawyer.

Free Trial Experiment

1. What is the size of the potentially harmed population⁶³?

There is no harmed population. Based on the tree diagram found at page 59, there was no significant difference between the test and control groups of respondents who who demonstrated some confusion and accepted the free trial.

Directionally, there were more respondents in the test group (the modified stimuli responding to LegalZoom's suggestions) than the control group (the version in dispute). Thus, it is obvious that the versions of the Rocket Lawyer a website at issue did not cause LegalZoom any harm.

2. Do consumers understand the free trial offer (time limit to free trial, charge after free trial period if consumer does not cancel)?

Yes, consumers do understanding the free trial offer. The majority of respondents recalled that the free trial had a time limit and there was no significant difference between the test and control groups. (OLS Table 4) In addition, of those who recalled that there was a time limit to the free trial, the majority knew that they would be charged after the trial and there was no significant difference between the test and control groups. (OLS Table 5).

3. What, if any, is the impact of the LegalZoom formatting of the free trial disclosures on the understanding of the free trial?

The revised formatting in the test stimuli (addressing LegalZoom's allegations) had no impact on respondents' understanding of the free trial. There was no significant difference between the understanding of the test and control groups regarding the time limit and subsequent charge. (OLS Tables 4 and 5) Thus, the LegalZoom's formatting of the free trial disclosures would have no impact on the understanding of the free trial.

⁶³ See footnote 2.

4. What, if any, is the impact of the LegalZoom formatting of the free trial disclosures on Respondents' decision to accept the free trial?

The revised formatting in the test stimuli (addressing LegalZoom's allegations) had no impact on respondents' decision to accept the free trial. The majority of respondents did not plan on taking the free trial offer and there are no significant differences between the test and control groups. Thus, the LegalZoom formatting of the free trial disclosures had no impact on consumers' purchasing decisions.

Overall Conclusions

- 1. LegalZoom's claims regarding both the incorporation service and the other online legal services are contradicted by the results of the two experiments. Changing the disputed Rocket Lawyer search engine ad and website to conform to LegalZoom's alleged requirements had no impact on the respondents and there is no significant difference between the test and control groups on any of the many measures we tested (Appendix M and all the tables of the report in Appendix L)**
- 2. Many respondents in both experiments demonstrate understanding of Rocket Lawyer's offers.**

In the Incorporation Experiment, respondents in both the test and control groups were able to articulate both the need to pay state fees and the free trial offer in their open ended responses:

Question B7: Now reflecting on the Google ad for Rocket Lawyer and the Rocket Lawyer website you reviewed, what can you tell me about the Incorporation offer?

<u>Case ID</u>	<u>Control Responses</u>	<u>Case ID</u>	<u>Test Responses</u>
1961	» It is basically a free trial for a period of time and all one pays is the applicable state fees which in this case (California) is \$90.	2400	» They specified incorporation in California at a low cost in addition to fees required by the state.
2081	» Free means you still need to pay fees... mostly to state. Offer full service and it is easy.	3305	» \$90 for California in 3 to 5 weeks. \$500 for e filing in 3 days. \$40 for a "company seal" and fancy notebook. Some kind of trial offer and monthly fee, but why would you need a monthly fee?
3115	» It was pretty much free, with some offers for other products sprinkled in. The only costs that were a requirement were state filing fees.	6740	» Free option as a trial but costs to actually incorporate, expedite, and file for a tax id number. Walks you through an interview process to determine what you need.

Question B7 (Con't.): Now reflecting on the Google ad for Rocket Lawyer and the Rocket Lawyer website you reviewed, what can you tell me about the Incorporation offer?

5713	» <i>There were a couple of brief testimony statements (specialty ketchup, and Farmyard Darlings). The price to start/ trial was \$0, filing fees \$90+ depending on, monthly fees \$39.95, can cancel anytime. On each page was information to call or email if there were any questions. There was a chat button. Although the title on the search page indicated CA, filing for any state could be completed.</i>	2400	» They specified incorporation in California at a low cost in addition to fees required by the state.
6387	» The website, Rocket Lawyer, was offering to take the information that you fill in and they file the paperwork for your LLC. They charge a nominal fee of \$90 for state fees.		

In the Free Trial experiment, users in both the test and control groups were able to articulate the free trial, subsequent charge, and often the amount of the charge.

Question 12c: What happens after the free trial period?

<u>Case ID</u>	<u>Test Response</u>	<u>Case ID</u>	<u>Control Response</u>
6619	» Rocket Lawyer proceeds to withdraw \$19.95 per month from the person in question's credit/debit card.	2173	» automatic billing kicks in on the credit card
6659	» They charge \$19.95 per month after it runs out.	2188	» You get charged \$19.95 on a recurring basis.
6960	» you will automatically sign up for amonth unless you cancel it.	2290	» they start billing the credit card that you HAD to give them for the free trial
		6715	» a fee begins at a set price and is charged monthly.

Question 7c/8: Now reflecting on the Rocket Lawyer website you reviewed, what can you tell me about Rocket Lawyer's offer? Anything else?

<u>Case ID</u>	<u>Test Response</u>	<u>Case ID</u>	<u>Control Response</u>
6659	» They offer a free trial membership for one week, then \$19.95 per month afterwards. They allow you to build documents, save print and share them, and then sign them.	2014	» If you don't cancel the trial membership after seven days the service will continue uninterrupted but you will be charged 19.95 per month.
6717	» free trial period for 1 week, offered a turbotax like version of writing up legal documents for property services	6331	» You can have a free trial, and then \$19.99 for a month, a 90-day deal that's a little less per month, or a annual contract that is \$9.99 per month, which is their best offer.

3. There is a population of consumers who are skeptical of advertisements for “free” services and/or search engine advertisements.

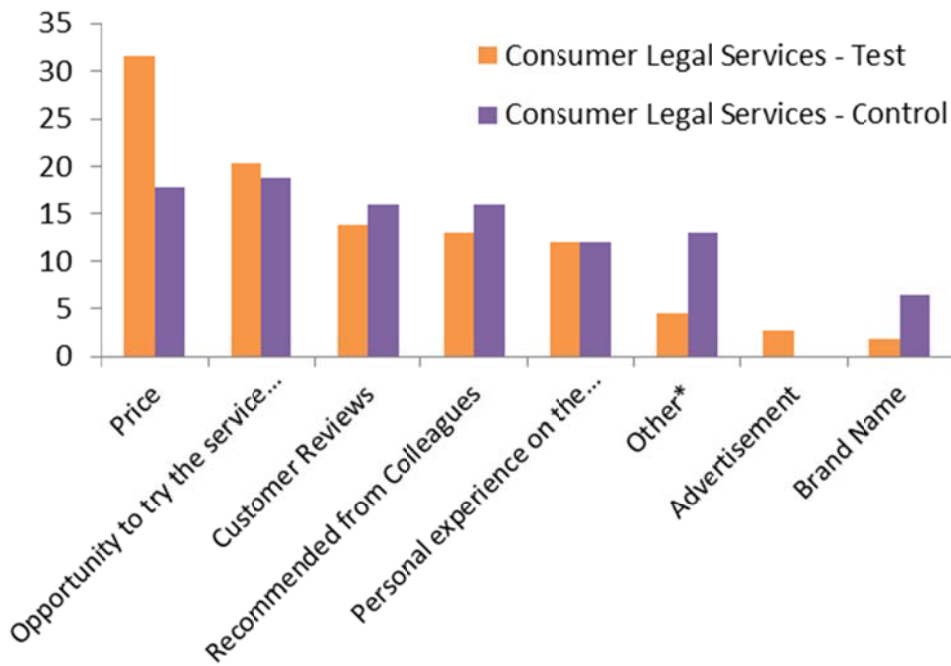
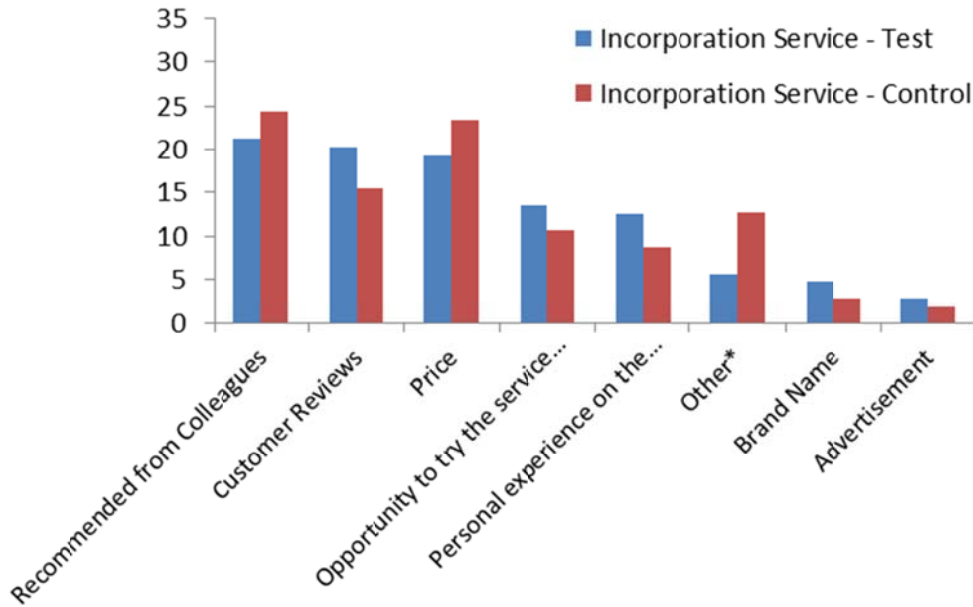
Question 4B: Please tell us why you did not << initially >> select www.rocketlawyer.com?

<u>Case ID</u>	<u>Response</u>	<u>Case ID</u>	<u>Control Response</u>
2058	... I also don't trust free.	1920	Banner Avert
2127	Free. do not trust as much	2221	» free is usually not really free
2152	» I usually don't get good results from google when selecting the 2nd or 3rd results	6309	» Nothing is free.
		1920	Banner Avert
		2221	» free is usually not really free

Question14: Why did you not choose to take the free trial<< insert >>?

<u>Case ID</u>	<u>Test Response</u>	<u>Case ID</u>	<u>Control Response</u>
1881	Free trials usually have a catch	2434	» <i>I'm skeptical of all Internet companies, not just Rocket Lawyer. It might be a scam. The problem with emerging Internet companies is that they do not have a long history - will it be around tomorrow?</i>
5809	» <i>Trials nearly always end up being permanenet</i>	5920	» I've never liked trials. I feel locked when I get into a trial. Free processing is great, but it seems it's at a hefty cost.
5829	» it probably not free	6123	» Free trials are seldom free and I want to explore all of my options
5891	» free trials are not really "free". Once you sign up, you forget and then get charged or you feel like you're "stuck" with that service. I would only do a free trial if I was reasonably sure that was the service I wanted to use.	1909	I don't liked trials.
6023	» If I forget to cancel I will be billed. Also, my credit card information may reside within a company that I decide not to use.	1936	Always a catch
6971	» my experience with free trials are smoke in mirrors and there are elevated costs after the trial is over or the company makes the "contract" nearly impossible to get out of. They are legal companies.	2434	» <i>I'm skeptical of all Internet companies, not just Rocket Lawyer. It might be a scam. The problem with emerging Internet companies is that they do not have a long history - will it be around tomorrow?</i>
		5920	» I've never liked trials. I feel locked when I get into a trial. Free processing is great, but it seems it's at a hefty cost.
		6123	» Free trials are seldom free and I want to explore all of my options

4. The lack of impact of the search engine advertising is not surprising given the fact that the respondents perceived advertisement as the least important factor or one of the least important factors in selecting an on line legal service.



5. A majority of respondents had prior experience with free trials (see *Incorporation Table 16 and Other Legal Services Table 12*). In addition, some respondents even stated that they would cancel before the trial period ends to ensure that they receive the service for free.

2264	QC13b Assuming you were interested in online legal services for a << insert >> form, now that you have gone through the Rocket Lawyer website, what are you likely to do?	» Sign up for the free trial - but, call customer service to cancel as soon as I printed my BoS.	Test
1964	Q14c Why did you not choose to take the free trial<< insert >>?	...The trial is just a headache I'll need to remember to cancel before they hit my credit card with the fee after the one week trial expires	Control
2479	QC10 What was their free trial offer? Please list all the details about this offer that you can recall.	» Free for 1 week and you get to create a POA You have to pay upfront and remember to cancel before the week is over or you end up paying \$19.95 per month.	Control

Final Conclusions

In summary, given the overwhelming consistency of the results -- that on all the measures Reported in these experiments there was no significant differences between the test and control Groups- one can confidently conclude that there is no empirical support for the LZ complaint.

Respectfully,



Jerry (Yoram) Wind

President, Wind Associates, Inc.