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San Francisco County Superior Court

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CLERK OF THE COURT

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Deputy Clerk

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO
UNLIMITED JURISDICTION

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

SEPHORA USA, INC.,

Defendant.

Case No. CGC-22-601380

[PROPOSED] FINAL JUDGMENT AND PERMANENT INJUNCTION

Plaintiff, the People of the State of California (“the People” or “Plaintiff”), appearing through its attorney, Rob Bonta, Attorney General of the State of California, by Roni Dina Pomerantz, Deputy Attorney General, and Stacey D. Schesser, Supervising Deputy Attorney General, and Defendant Sephora USA, Inc. (“DEFENDANT” or “SEPHORA”), appearing through their attorney, Jeewon Kim Serrato, of Baker & Hostetler, LLP, having stipulated to the entry of this Final Judgment and Permanent Injunction (“Judgment”) by the Court without the taking of proof and without trial or adjudication of any fact or law, without this Judgment constituting evidence of or an admission by SEPHORA regarding

any issue or law or fact alleged in the Complaint on file, and without SEPHORA admitting any liability, and with all parties having waived their right to appeal, and the Court having considered the matter and good cause appearing:

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

I. PARTIES AND JURISDICTION

1. This Court has jurisdiction over the allegations and subject matter of the People's Complaint filed in this action, and the parties to this action; venue is proper in this County; and this Court has jurisdiction to enter this Judgment. This Judgment is entered pursuant to and subject to California Consumer Privacy Act of 2018, Civil Code section 1798.100 *et seq.*

II. DEFINITIONS

The following terms in this Judgment shall have these meanings:¹

2. CONSUMER has the same meaning as provided in Civil Code section 1798.140, subdivision (g).
3. EFFECTIVE DATE is the date that DEFENDANT is served with notice that the Judgment has been entered.
4. PERSONAL INFORMATION has the same meaning as provided in Civil Code section 1798.140, subdivision (o), which includes the definition of "unique identifier" as set forth in Civil Code section 1798.140, subdivision (x).
5. SALE or SELL has the same meaning as provided in Civil Code section 1798.140, subdivision (t)(1).
6. SALE USING ONLINE TRACKING TECHNOLOGY means SALE where the business discloses or makes available CONSUMERS' PERSONAL INFORMATION to third parties through the use of online tracking technologies such as pixels, web beacons, software developer kits, third party libraries, and cookies, in exchange for monetary or other valuable consideration, including, but not

¹ The California Consumer Privacy Act has been amended such that, effective January 1, 2023, the definitions in this section will have different title numbers. It is the parties' intent that the definitions used in the Judgment will have the same meaning as provided in the amended civil code and code of regulations, irrespective of their new numerical titles.

limited to: (1) personal information or other information such as analytics; or (2) free or discounted services.

7. SERVICE PROVIDER has the same meaning as provided in Civil Code section 1798.140, subdivision (v).

III. INJUNCTIVE PROVISIONS

8. Nothing in this Judgment alters the requirements of state or federal law to the extent they offer greater protection to CONSUMERS.

9. The injunctive provisions of this Judgment shall apply to: (a) DEFENDANT, (b) its directors, officers, employees, agents, independent contractors, partners, and associates; (c) its subsidiaries; and (d) its successors and the assigns of all or substantially all of the assets of their businesses.

COMPLIANCE WITH LAW

10. DEFENDANT shall comply with Civil Code sections 1798.120, and 1798.135, and California Code Regulations title 11, sections 7011, 7012, 7026, and 7051.

11. To the extent DEFENDANT SELLS the PERSONAL INFORMATION of CONSUMERS, including through SALES USING ONLINE TRACKING TECHNOLOGY, DEFENDANT shall provide notice to CONSUMERS as required by Civil Code section 1798.135, subdivision (a) that clearly states that it SELLS their PERSONAL INFORMATION, and that CONSUMERS have the right to opt-out of all SALES.

12. DEFENDANT shall process CONSUMER requests to opt out signaled via the Global Privacy Control or the "GPC."

13. Once the provisions of the California Privacy Rights Act ("CPRA") become operative on January 1, 2023, DEFENDANT shall comply with the provisions of the CPRA that relate to the activity as set forth in Paragraph 11, to the extent the CPRA amends the California Consumer Privacy Act ("CCPA").

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**CCPA COMPLIANCE PROGRAM; ASSESSMENT AND REPORTING
REQUIREMENTS TO THE ATTORNEY GENERAL**

14. Within 180 days of the EFFECTIVE DATE, and for a period of 2 years thereafter, DEFENDANT shall implement and maintain a program to assess and monitor whether it is effectively processing the requests of CONSUMERS to opt-out of the SALE of their PERSONAL INFORMATION, including requests submitted via user-enabled global privacy controls like the Global Privacy Control (“GPC”). DEFENDANT shall share its assessment with the People in an annual report, that includes the following:

- a. A detailed overview of the testing DEFENDANT has done to assess and monitor its processing of CONSUMER requests to opt-out of the SALE of their PERSONAL INFORMATION submitted via user-enabled global privacy controls like the Global Privacy Control (“GPC”).
- b. An analysis of any errors or technical problems encountered by DEFENDANT in processing CONSUMER requests to opt-out of the SALE of their PERSONAL INFORMATION via user-enabled global privacy controls like the Global Privacy Control (“GPC”), if any, and steps taken by DEFENDANT to fix or remediate those errors or problems.

15. Within 180 days of the EFFECTIVE DATE, and for a period of 2 years thereafter, DEFENDANT shall conduct an annual regular review of its website and mobile applications to determine the entities with which it makes available PERSONAL INFORMATION. For 2 years from the EFFECTIVE DATE, DEFENDANT shall document and share the results of this review with the People in an annual report, to include the following:

- a. The names of entities to which DEFENDANT makes available PERSONAL INFORMATION, the PERSONAL INFORMATION DEFENDANT makes available to these entities, DEFENDANT’S purpose for making PERSONAL INFORMATION available to these entities, and whether DEFENDANT characterizes these entities as SERVICE PROVIDERS.

- b. For entities that DEFENDANT contends are SERVICE PROVIDERS, DEFENDANT will enter into contracts with them that meet the requirement of Civil Code section 1798.140, subdivision (v), and document this in the annual report.
- c. For entities that are not SERVICE PROVIDERS, SEPHORA shall do any of the following, and document their efforts in the annual report:
 - i. comply with Civil Code sections 1798.120 and 1798.135,
 - ii. enter into or amend its contract with the entity to render it a valid SERVICE PROVIDER pursuant to Civil Code section 1798.140, subdivision (v), or
 - iii. cease making available PERSONAL INFORMATION to that entity.
- d. For entities with which DEFENDANT has a specific contractual agreement providing that the entity will act as a SERVICE PROVIDER when processing PERSONAL INFORMATION, but requires the DEFENDANT to enable some type of restricted data processing, DEFENDANT shall enable this restricted data processing for all CONSUMERS, including in its implementation of the Global Privacy Control (“GPC”), or cease making PERSONAL INFORMATION available to the entity, and document this in the annual report.

16. To the extent permitted by the laws of the State of California, the California Attorney General’s Office shall treat all reports, reviews, and sharing of information pursuant to this Judgment confidentially and as exempt from disclosure under the relevant public records laws.

IV. MONETARY PROVISIONS

17. DEFENDANT shall pay the Attorney General the amount of \$1.2 million. Payment shall be made by wire transfer to the California Attorney General’s Office pursuant to instructions provided by the California Attorney General’s Office, no later than thirty (30) days after the Effective Date.

18. The California Attorney General shall deposit said payment into the Consumer Privacy Fund as provided by Civil Code section 1798.155, subdivision (c).

19. Except as otherwise expressly provided herein, each party shall bear its own attorney's fees and costs.

V. RELEASE

20. By entry of this Judgment and following full payment of the amount due as set forth in Paragraph 17, DEFENDANT and its affiliates, subsidiaries, divisions, successors, agents or representatives is released and discharged from and against any and all civil claims known to the California Attorney General arising from conduct set forth in the notices of alleged non-compliance in this matter, including the claims as set forth in the Complaint.

VI. ADDITIONAL GENERAL PROVISIONS

21. This Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Judgment.

22. Nothing in this Judgment shall be construed as relieving DEFENDANTS of their obligations to comply with all state and federal laws, regulations, or rules, or as granting permission to engage in any acts or practices prohibited by such law, regulation, or rule.

23. DEFENDANTS shall use reasonable efforts to notify their officers, directors, employees, agents, and contractors responsible for carrying out and effecting the terms of this Judgment of this Judgment and the requirements therein.

24. Notices and reports under this Judgment shall be served by email and regular mail as follows:

To the People or People's counsel:

Roni Dina Pomerantz
Micah C.E. Osgood
Consumer Law Section—Privacy Unit
California Attorney General's Office
455 Golden Gate Ave., Suite 11000
San Francisco, California 94102-7004
Email: roni.pomerantz@doj.ca.gov
Email: mike.osgood@doj.ca.gov

To DEFENDANT or DEFENDANT'S counsel:

Jeewon Kim Serrato
Baker & Hostetler, LLP
Transamerica Pyramid Center
600 Montgomery Street, Suite 3100

San Francisco, CA 94111-2806

Email: jserrato@bakerlaw.com

25. The clerk is directed to enter this Judgment forthwith.

ORDERED AND ADJUDGED at San Francisco, California, this 24 day of August, 2022.

Richard B. Ulmer

Judge of the Superior Court

RICHARD B. ULMER