

1	This Court having considered the pleadings and the Stipulation for Entry of Final	
2	Judgment, and good cause appearing therefore;	
3	IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:	
4	JURISDICTION	
5	A. This Court has jurisdiction over the subject matter hereof and the parties hereto.	
6	B. Venue is proper in this Court.	
7	PERMANENT INJUNCTIVE RELIEF	
8	C. Pursuant to Business and Professions Code section 17203, Houzz shall be and hereby	
9	is permanently enjoined as set forth in paragraphs D, E, F, and G of this Final Judgment. The	
10	terms of this Final Judgment, including the injunctive terms contained in paragraphs D, E, F, and	
11	G shall apply to defendant Houzz, as well as its subsidiaries, its successors and the assigns of all	
12	of substantially all of the assets of its businesses, and, solely in their capacities as such, its	
13	directors, officers, employees, agents, independent contractors, partners, associates, and	
14	representatives of each of them when acting within the scope of their duties, responsibilities,	
15	and/or employment for Houzz.	
16	D. Houzz shall comply with Penal Code sections 632 and 632.7.	
17	E. Within 60 days from the date of entry of this Final Judgment, Houzz shall designate	
18	(and notify the California Attorney General's Office of said designation) an existing or new	
19	employee who shall make good-faith efforts to: (1) be or become knowledgeable of relevant and	
20	applicable California and federal privacy statutes; (2) ensure that Houzz develops privacy policie	S
21	and procedures for Houzz that are consistent with applicable state and federal privacy laws; and	
22	(3) oversee Houzz's compliance with such policies and procedures. Such employee may be, but	
23	is not required to be, identified as Houzz's Privacy Officer or Chief Privacy Officer. Such	
24	employee, in his or her capacity as the person with these responsibilities, shall have authority and	1
25	autonomy to perform these responsibilities and to report any significant privacy concerns to the	
26	Chief Executive Officer and/or other designated Houzz executives.	
27	F. Concerning any recordings of telephone calls alleged in the Complaint in this action	ł
28	Houzz shall retain any copies in a secure location with restricted access, and only until such time	ţ

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in due course of business as Houzz determines in its sole discretion that it is appropriate no longer to retain the recorded calls. Houzz shall not copy, access, distribute or use the recorded calls in any manner unless allowed by law or court order. Houzz shall notify the California Attorney General's Office in writing when the recorded calls are destroyed in due course of business.

5 G. Within twelve months from the date of entry of this Final Judgment, Houzz shall 6 complete a privacy risk assessment addressing Houzz's efforts to comply with applicable privacy 7 laws governing Houzz's U.S. operations and shall produce the final report generated from the privacy risk assessment to the California Attorney General's Office, Houzz's Chief Executive 8 9 Officer, and Houzz's Board of Directors. The privacy risk assessment will evaluate: (1) issues, 10 as of the date of the final privacy risk assessment report, that are implicated by the Company's 11 business processes, use of technology, and (if applicable) processes related to any business 12 partners with whom Houzz shares personal information; and (2) Houzz's efforts to mitigate or 13 avoid any adverse effects of such issues on individuals in the United States. The California Attorney General's Office shall keep the report prepared pursuant to this paragraph confidential 14 15 except as needed: (1) to enforce compliance with the Judgment; (2) to support any other 16 enforcement action by the California Attorney General's Office against Houzz, its subsidiaries, its 17 successors and the assigns of all or substantially all of the assets of its businesses, or, solely in 18 their capacities as such, its directors, officers, employees, agents, independent contractors, 19 partners, associates, or representatives of each of them when acting within the scope of their 20 duties, responsibilities, and/or employment for Houzz; or (3) as required by law (for example, 21 pursuant to what is currently codified as California Government Code §§ 6254 and 6276).

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MONETARY PROVISIONS

H. Pursuant to Business and Professions Code section 17206, Houzz shall pay to the
People the amount of \$105,000 as civil penalties and \$70,000 towards reimbursement of the
People's attorneys' fees and costs of investigation or prosecution. Payment shall be made by
check payable to the "California Attorney General's Office" and shall be delivered to the
California Attorney General's Office, 455 Golden Gate Avenue, Suite 11000, San Francisco,

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California 94012, attention Deputy Attorney General Yen P. Nguyen, no later than fifteen (15) 1 2 days after the date this Final Judgment is entered. 3 Except as otherwise expressly provided herein, each party shall bear its own I. 4 attorney's fees and costs. 5 **GENERAL PROVISIONS** 6 J. Jurisdiction is retained for the purpose of enabling any party to the Final Judgment to 7 apply to the Court for such further orders and direction as may be necessary and appropriate for the construction and carrying out of the Final Judgment, for the modification or dissolution of any 8 9 injunctive provisions hereof, for enforcement of compliance herewith, or for the punishment of 10 violations hereof. 11 Except as expressly provided in this Final Judgment, nothing in this Final Judgment Κ. shall be construed as relieving Houzz of its obligations to comply with all state and federal laws, 12 regulations, or rules, or as granting permission to engage in any acts or practices prohibited by 13 14 such law, regulation, or rule. 15 L. Houzz shall use reasonable efforts to notify its officers, directors, employees, agents, 16 and contractors responsible for carrying out and effecting the terms of this Final Judgment. 17 M. This Final Judgment shall take effect immediately upon entry thereof. 18 N. The Clerk is directed to enter this stipulated Final Judgment forthwith. 19 20 Dated: 2015 THE SUPERIOR (21 WIXLIAM EXFWRE 22 23 24 25

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