

**IN THE CIRCUIT COURT OF THE
SEVENTEENTH JUDICIAL CIRCUIT,
IN AND FOR BROWARD COUNTY, FLORIDA**

OFFICE OF ATTORNEY GENERAL)	
STATE OF FLORIDA, DEPARTMENT)	
OF LEGAL AFFAIRS,)	
Plaintiff,)	
)	
vs.)	No.
)	
LENOVO (UNITED STATES) INC.)	
)	
Defendant.)	

FINAL JUDGMENT AND CONSENT DECREE

Plaintiff, OFFICE OF ATTORNEY GENERAL, STATE OF FLORIDA, DEPARTMENT OF LEGAL AFFAIRS, by Pamela Jo Bondi, Attorney General of the State of Florida (“State of Florida”), filed a Complaint for a permanent injunction and other relief in this matter pursuant to the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (“FDUTPA”), alleging Defendant, Lenovo (United States) Inc. (“Defendant” or “Lenovo,” as defined in Part III of this Final Judgment and Consent Decree below), committed violations of FDUTPA.

The State of Florida and Lenovo have agreed to the Court’s entry of this Final Judgment and Consent Decree without trial or adjudication of any issue of fact or law or finding of wrongdoing or liability of any kind, and that Lenovo does not admit any violation of law or any wrongdoing. This Final Judgment and Consent Decree is for settlement purposes only, and it is the intent of the parties that, to the fullest extent permitted by law, neither the fact of, nor any provision contained in, this Final Judgment and Consent Decree, nor any action taken hereunder,

shall constitute, be construed as, or be admissible in evidence as any admission of the validity of any claim or any fact alleged in any other pending or subsequently filed action or of any wrongdoing, fault, violation of law, or liability of any kind on the part of Lenovo or admission by Lenovo of the validity or lack thereof of any claim, allegation, or defense asserted in any other action. Nothing in this Final Judgment and Consent Decree shall be construed to affect Lenovo's right to take legal or factual positions in defense of litigation or other legal proceedings to which the State of Florida is not a party.

I. PARTIES

A. Plaintiff is the OFFICE OF ATTORNEY GENERAL, STATE OF FLORIDA, DEPARTMENT OF LEGAL AFFAIRS by Pamela Jo Bondi, Attorney General of the State of Florida ("State of Florida"). The State of Florida is charged with, among other things, enforcement of FDUTPA.

B. Lenovo is a Delaware corporation with its principal place of business at 1009 Think Place, Morrisville, North Carolina 27560-9002.

II. FINDINGS

A. The Court has jurisdiction over the subject matter of the Complaint filed herein and, solely for the purposes of this matter, over the parties to this Final Judgment and Consent Decree. Jurisdiction is retained by this Court for the purpose of enabling the State of Florida to apply to this Court for such further orders and directions as may be necessary or appropriate for the construction, modification, or execution of this Final Judgment and Consent Decree, including the enforcement of compliance therewith and penalties for violation thereof.

B. At all times relevant to this matter, Lenovo was engaged in trade and commerce affecting consumers in the state of Florida in that Lenovo manufactures personal computers that are sold in retail stores in the state of Florida. Lenovo also maintains a website through which consumers can purchase Lenovo products and ship those products to consumers residing in the state of Florida.

NOW THEREFORE, on the basis of these findings, and for the purpose of effecting this Final Judgment and Consent Decree, IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

III. DEFINITIONS

For purposes of this Final Judgment and Consent Decree, the following definitions apply:

- A. “Affirmative Express Consent” means that:
- i. Prior to the initial operation of any Covered Software, it shall be Clearly and Conspicuously disclosed, separate and apart from any “end user license agreement,” “privacy policy,” “terms of use” page or similar document, the following:
 1. For any Covered Software that displays advertising,
 - a. The fact that the Covered Software will display advertisements, including any pop-up advertisements; and
 - b. The frequency and circumstances under which such advertisements are displayed to the consumer; and
 2. For any Covered Software that transmits, or causes to be transmitted, Covered Information to a person or entity other than the consumer,

- a. The fact that the software will transmit, or cause to be transmitted, the Covered Information to a person or entity other than the consumer;
 - b. The types of Covered Information that will be transmitted to a person or entity other than the consumer;
 - c. The types of Covered Information that the receiving person or entity will share with third parties, which does not include an entity with a common corporate ownership and branding of Defendant or the Software Provider, a Third Party Service Provider, or any person or entity otherwise excluded by the Proviso in Part IV.B of this Final Judgment and Consent Decree;
 - d. The identity or specific categories of such third parties; and
 - e. The purposes for sharing such Covered Information.
- ii. At the time this disclosure is made, a Clear and Conspicuous mechanism shall be provided for a consumer to indicate assent to the operation of the Covered Software by taking affirmative action authorizing its operation.

B. “Application Software” means any computer program designed for and used by consumers (e.g., database programs, word processing programs, games, Internet browsers or browser add-ons) that Defendant preinstalls or causes to be preinstalled onto a Covered Product. Application Software does not include device drivers; system software designed to configure, optimize or maintain a computer; operating systems; software bundled, integrated or included with

operating systems; or software otherwise provided to Defendant for preinstallation on a Covered Product by an operating system provider.

C. “Clear(ly) and Conspicuous(ly)” means that a required disclosure is difficult to miss (i.e., easily noticeable) and easily understandable by consumers, including in all of the following ways:

- i. In any communication that is solely visual or solely audible, the disclosure must be made through the same means through which the communication is presented. In any communication made through both visual and audible means, such as a television advertisement, the disclosure must be presented simultaneously in both the visual and audible portions of the communication even if the representation requiring the disclosure (“Triggering Representation”) is made through only one means.
- ii. A visual disclosure, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.
- iii. An audible disclosure, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for consumers to easily hear and understand it.
- iv. In any communication using an interactive electronic medium, such as the Internet or software, the disclosure must be unavoidable.

- v. On a product label, the disclosure must be presented on the principal display panel.
- vi. The disclosure must use diction and syntax understandable to consumers and must appear in each language in which the Triggering Representation appears.
- vii. The disclosure must comply with these requirements in each medium through which it is received, including all electronic devices and face-to-face communications.
- viii. The disclosure must not be contradicted or mitigated by, or inconsistent with, anything else in the communication.

D. “Covered Information” means the following information from or about an individual consumer that is input into, stored on, accessed or transmitted through Application Software: (a) a first and last name; (b) a physical address; (c) an email address or other online contact information, such as an instant messaging user identifier or a screen name; (d) login credentials and passwords; (e) a telephone number; (f) a Social Security number; (g) a driver’s license or other government-issued identification number; (h) a financial institution account number; (i) credit or debit card information; (j) any portion of the content of a consumer’s communications; (k) any portion of the content of a consumer’s files (e.g., documents, photos or videos); and (l) precise geolocation information sufficient to identify a street name and name of a city or town.

E. “Covered Product” means any personal computer (i.e., desktop computers, laptops, laptops that convert into tablets or vice versa, and notebooks) that is manufactured by or on behalf

of Defendant and is sold to U.S. consumers. Covered Products do not include servers and server peripherals, mobile handsets or smartphones, or tablets or similar devices that are sold without an integrated or detachable physical keyboard. Covered Products also do not include the actual personal computers specifically sold to enterprise customers with over 1,000 employees.

F. “Covered Software” means: (a) Application Software that injects advertisements into a consumer’s Internet browsing session, including pop-up advertisements or (b) Application Software that transmits, or causes to be transmitted, Covered Information to a person or entity other than the consumer, except when

- i. the Covered Information is used only in an aggregated and/or de-identified form that does not disclose, report, or otherwise share any individually identifiable information; or
- ii. the Covered Information is transmitted or used solely for one or more of the following purposes:
 1. being reasonably necessary for the software to perform a function or service that the consumer requests or otherwise interacts with;
 2. authenticating the consumer;
 3. configuring or setting up the software; or
 4. assessing or analyzing the software’s performance (e.g., to find or fix problems in the software, assess how consumers are using the software, or to make improvements to the software).

Covered Software does not include Internet browsers, antivirus software, parental control software, or other computer security software.

G. “Effective Date” of this Final Judgment and Consent Decree is the later of the date that the Court enters an Order, Judgment or Decree approving the terms of this document, or the effective date of the Order in the FTC Action.

H. “Executive Committee” refers to the following Attorneys General Offices: California, Connecticut, Illinois and Pennsylvania.

I. “Feature” means one or more of the following attributes of Covered Software: (a) the Covered Software’s benefits, efficacy, or features; (b) the fact that it will display advertising, including pop-up advertisements; (c) the frequency and circumstances under which the Covered Software will display advertising; and (d) the fact of and extent to which the Covered Software will transmit, or cause to be transmitted, Covered Information to a person or entity other than the consumer.

J. “FTC Action” means the Federal Trade Commission matter entitled In re Matter of Lenovo (United States) Inc., File No. 152 3134.

K. “Lenovo” or “Defendant” means Lenovo (United States) Inc. and its successors and assigns.

L. “Participating States” or “States” refers to the states and commonwealths listed in Exhibit A.

M. “Software Provider” means any person or entity other than Defendant that sells, leases, licenses, or otherwise provides Application Software.

N. “Third Party Service Provider” means any person or entity that is contractually required by Defendant or a Software Provider to: (a) use or receive Covered Information collected by or on behalf of Defendant or the Software Provider for and at the direction of Defendant or

Software Provider, and for no other individual or entity; (b) not disclose the Covered Information, or any individually identifiable information derived from it, to any individual or entity other than Defendant or Software Provider; and (c) not use the Covered Information for any other purpose.

IV. INJUNCTIVE RELIEF

A. Prohibited Misleading Representations

It is ordered that Defendant, its officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Final Judgment and Consent Decree, whether acting directly or indirectly, in connection with the advertising, promotion, offering for sale, sale, or distribution of Covered Software shall not make a misrepresentation, in any manner, expressly or by implication, about any Feature of the Covered Software.

B. Affirmative Express Consent Provision

It is further ordered that, commencing no later than 120 days after the Effective Date of this Final Judgment and Consent Decree, Defendant, its officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Final Judgment and Consent Decree, whether acting directly or indirectly, shall not preinstall or cause to be preinstalled any Covered Software unless Defendant or the Software Provider:

- i. Will obtain the consumer's Affirmative Express Consent;
- ii. Provides instructions for how the consumer may revoke consent to the Covered Software's operation, which can include uninstalling the Covered Software; and

- iii. Provides a reasonable and effective means for consumers to opt out, disable or remove all of the Covered Software's operations, which can include uninstalling the Covered Software.

Provided, however, that Affirmative Express Consent will not be required if sharing the Covered Information is reasonably necessary to comply with applicable law, regulation or legal process.

C. Mandated Software Security Program

It is further ordered that Defendant must, no later than the Effective Date of this Final Judgment and Consent Decree, establish and implement, and thereafter maintain a comprehensive software security program that is reasonably designed to (1) address software security risks related to the development and management of new and existing Application Software, and (2) protect the security, confidentiality, and integrity of Covered Information. The content, implementation and maintenance of the software security program must be fully documented in writing. The software security program must contain administrative, technical, and physical safeguards appropriate to Defendant's size and complexity, the nature and scope of Defendant's activities, the nature of the Application Software, the security policies and practices of the Software Provider, and the sensitivity of the Covered Information, including:

- i. The designation of an employee or employees to coordinate and be responsible for the software security program;
- ii. The identification of internal and external risks to the security, confidentiality, or integrity of Covered Information that could result in the unauthorized disclosure, misuse, loss, alteration, destruction, or other compromise of such information, and assessment of the sufficiency of any

safeguards in place to control these risks. At a minimum, this risk assessment must include consideration of risks in each area of relevant operation, including: (1) employee training and management; (2) Application Software design, including the processing, storage, transmission and disposal of Covered Information by the Application Software; and (3) the prevention, detection, and response to attacks, intrusions, or other vulnerabilities;

- iii. The design and implementation of reasonable safeguards to control these risks, and regular testing or monitoring of the effectiveness of the safeguards' key controls, systems, and procedures;
- iv. The development and use of reasonable steps to select and retain software or service providers capable of maintaining security practices consistent with this Final Judgment and Consent Decree, and requiring software and service providers, by contract, to implement and maintain appropriate safeguards; and
- v. The evaluation and adjustment of the software security program in light of the results of the testing and monitoring required by sub-provision iii above, any changes to Defendant's operations or business arrangements, or any other circumstances that Defendant knows or has reason to know may have an impact on the effectiveness of the software security program.

D. Software Security Assessments by a Third Party

It is further ordered that, in connection with compliance with the provision of this Final Judgment and Consent Decree titled Mandated Software Security Program, Defendant must obtain initial and biennial assessments (“Assessments”):

- i. The Assessments must be obtained from a qualified, objective, independent third-party professional, who uses procedures and standards generally accepted in the profession. A professional qualified to prepare such Assessments must be a person qualified as a Certified Secure Software Lifecycle Professional (CSSLP) with professional experience with secure Internet-accessible, consumer-grade devices; an individual qualified as a Certified Information Systems Security Professional (CISSP) or as a Certified Information Systems Auditor (CISA) with professional experience with secure Internet-accessible consumer-grade devices; or a qualified individual or entity approved by the Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, as ordered in the FTC Action.
- ii. The reporting period for the Assessments must cover: (1) the first 180 days after the Effective Date for the initial Assessment, and (2) each 2-year period thereafter for 20 years for the biennial Assessments.

- iii. Each Assessment must:
 - 1. Set forth the specific administrative, technical, and physical safeguards that Defendant has implemented and maintained during the reporting period;
 - 2. Explain how such safeguards are appropriate to Defendant's size and complexity, the nature and scope of Defendant's activities, the nature of the Application Software, the security policies and practices of the Application Software provider and the sensitivity of the Covered Information;
 - 3. Explain how the safeguards that have been implemented meet or exceed the protections required by the Provision of this Final Judgment and Consent Decree titled Mandated Software Security Program; and
 - 4. Certify that the Mandated Software Security Program is operating with sufficient effectiveness to provide reasonable assurance that the security of the Application Software preinstalled on Covered Products and the security, confidentiality, and integrity of Covered Information is protected, and that the Mandated Software Security Program has so operated throughout the reporting period.
- iv. Each Assessment must be completed within 60 days after the end of the reporting period to which the Assessment applies as set forth in Part IV of the Order in the FTC Action.

E. The obligations and other provisions set forth in this Section IV shall expire 20 years after the Effective Date of this Final Judgment and Consent Decree. Nothing in this paragraph should be construed or applied to excuse Lenovo from its obligations to comply with all applicable state and federal laws, regulations and rules.

V. COMPLIANCE MONITORING

Defendant is required to monitor its compliance with this Final Judgment and Consent Decree in the same manner as it is required to monitor its compliance with the Order in the FTC Action, all as detailed in Part VI of the Order in the FTC Action. Upon request by any Participating State, Lenovo shall provide a copy of any Assessment or other submission made to the FTC pursuant to the FTC Action within 10 days of the request.

VI. ACKNOWLEDGMENTS OF THE FINAL JUDGMENT AND CONSENT DECREE

For 5 years after the Effective Date of this Final Judgment and Consent Decree, Defendant must deliver a copy of this Final Judgment and Consent Decree to all individuals and entities listed in Part V of the Order in the FTC Action.

VII. PAYMENT TO THE STATES

Within 30 days of the Effective Date of this Final Judgment and Consent Decree, Lenovo shall pay the sum of Three Million Five Hundred Thousand Dollars (\$3,500,000) to the Participating States. The money is to be allocated among the Attorneys General¹ of the Participating States as determined solely by the Executive Committee. Said payment shall be used

¹ Hawaii is represented in this matter by its Office of Consumer Protection, an agency which is not part of the state Attorney General's Office, but which is statutorily authorized to undertake consumer protection functions, including legal representation of the State of Hawaii. For simplicity purposes, the entire group will be referred to as the "Attorneys General" and the designation as it pertains to Hawaii, shall refer to the Executive Director of the State of Hawaii's Office of Consumer Protection.

by the Attorneys General for such purposes that may include, but are not limited to, civil penalties, attorneys' fees and other costs of investigation, or to be placed in, or applied to, the consumer protection law enforcement fund, including future consumer protection or privacy enforcement, consumer education, litigation, or local consumer aid fund or revolving fund used to defray costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the Attorneys General.

VIII. RELEASE

Following full payment of the amounts due under this Final Judgment and Consent Decree, the State of Florida shall release and discharge Lenovo and its affiliates, subsidiaries and divisions from all civil claims that the State of Florida could have brought under FDUTPA based on Lenovo's conduct alleged in the Complaint filed in this matter prior to the Effective Date of this Final Judgment and Consent Decree. Nothing contained in this paragraph shall be construed to limit the ability of the State of Florida to enforce the obligations that Lenovo has under this Final Judgment and Consent Decree. Further, nothing in this Final Judgment and Consent Decree shall be construed to create, waive, or limit any private right of action.

IX. GENERAL PROVISIONS

A. The parties understand and agree that this Final Judgment and Consent Decree shall not be construed as an approval or a sanction by the State of Florida of Lenovo's business practices, nor shall Lenovo represent that this Final Judgment and Consent Decree constitutes an approval or sanction of its business practices. The parties further understand and agree that any failure by the State of Florida to take any action in response to any information submitted pursuant to this Final Judgment and Consent Decree shall not be construed as an approval, waiver, or sanction of

any representations, acts, or practices indicated by such information, nor shall it preclude action thereon at a later date, except as provided by the Release herein.

B. Nothing in this Final Judgment and Consent Decree shall be construed as relieving Lenovo of the obligation to comply with all state and federal laws, regulations, and rules, nor shall any of the provisions of this Final Judgment and Consent Decree be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, and rules.

C. Nothing contained in this Final Judgment and Consent Decree shall be construed to waive or limit any right of action by any consumer, person or entity, or by any local, state, federal or other governmental entity, except as provided by the Release herein.

D. Nothing in this Final Judgment and Consent Decree shall prevent or restrict the use of this Final Judgment and Consent Decree by the State of Florida in any action against Lenovo for contempt or failure to comply with any of its provisions, or in the event that Lenovo is in default of any of its terms and conditions. A default on the part of Lenovo shall include any material breach by Defendant of any of the terms or requirements of this Final Judgment and Consent Decree. Nothing in this Final Judgment and Consent Decree shall be construed to (i) exonerate any contempt or failure to comply with any of its provisions after the Effective Date of this Final Judgment and Consent Decree, (ii) compromise or limit the authority of the State of Florida to initiate a proceeding for any contempt or other sanctions for failure to comply, or (iii) compromise the authority of the Court or any other court of competent jurisdiction to punish as contempt any violation of this Final Judgment and Consent Decree.

E. Those signing for Lenovo below hereby state that they each are authorized to enter into and execute this Final Judgment and Consent Decree by and on behalf of Lenovo.

F. Lenovo further agrees to execute and deliver all authorizations, documents and instruments which are necessary to carry out the terms and conditions of this Final Judgment and Consent Decree, whether required prior to, contemporaneous with or subsequent to the Effective Date of this Final Judgment and Consent Decree, as defined herein.

G. To the extent that there are any, Lenovo agrees to pay all court costs associated with the filing of this Final Judgment and Consent Decree. No court costs, if any, shall be taxed against the State of Florida.

H. Lenovo shall not, directly or indirectly, participate in any activity or form a separate entity or corporation for the purpose of engaging in acts or practices in whole or in part in the state of Florida that are prohibited by this Final Judgment and Consent Decree or for any other purpose that would otherwise circumvent any term of this Final Judgment and Consent Decree. Lenovo shall not cause, knowingly permit, or encourage any other persons or entities acting on its behalf, to engage in practices prohibited by this Final Judgment and Consent Decree.

I. This Final Judgment and Consent Decree may be executed by any number of counterparts and by different signatories on separate counterparts, each of which shall constitute an original counterpart thereof and all of which together shall constitute one and the same document. One or more counterparts of this Final Judgment and Consent Decree may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart thereof.

J. This Final Judgment and Consent Decree sets forth all of the promises, covenants, agreements, conditions and understandings between the parties, and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, express or implied.

There are no representations, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Final Judgment and Consent Decree that are not fully expressed herein or attached hereto. Each party specifically warrants that this Final Judgment and Consent Decree is executed without reliance upon any statement or representation by any other party hereto, except as expressly stated herein.

K. Lenovo agrees that this Final Judgment and Consent Decree does not entitle it to seek or to obtain attorneys' fees as a prevailing party under any statute, regulation, or rule, and Lenovo further waives any right to attorneys' fees that may arise under such statute, regulation, or rule.

L. This Final Judgment and Consent Decree shall not be construed to waive any claims of sovereign immunity the State of Florida may have in any action or proceeding.

M. Except as otherwise provided under law, this Final Judgment and Consent Decree may only be enforced by the State of Florida, Lenovo, and this Court. The parties to this action may agree, in writing, through counsel, to an extension of any time period in this Final Judgment and Consent Decree without a Court order.

X. SEVERABILITY

If any clause, provision, or section of this Final Judgment and Consent Decree shall, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Final Judgment and Consent Decree and this Final Judgment and Consent Decree shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or provision had not been contained herein.


XI. NOTICE/DELIVERY OF DOCUMENTS

Whenever Lenovo shall submit documents or provide notice to the State of Florida under this Final Judgment and Consent Decree, that requirement shall be satisfied by sending notice to: Designated Contacts on behalf of the Attorneys General listed in Exhibit A. Any notices or other documents sent to Lenovo pursuant to this Final Judgment and Consent Decree shall be sent to the following address: (1) Lenovo (United States) Inc., ATTN: General Counsel, 1009 Think Place, Morrisville, North Carolina 27560-900 and (2) Rebecca S. Engrav, Esq., Perkins Coie, 1201 Third Avenue, Suite 4900, Seattle, WA 98101-3099. All notices or other documents to be provided under this Final Judgment and Consent Decree shall be sent by United States mail, certified mail return receipt requested, or other nationally recognized courier service that provides for tracking services and identification of the person signing for the notice or document, and shall have been deemed to be sent upon mailing. Any party may update its address by sending written notice to the other party.

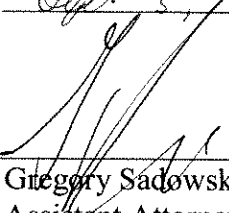
JOINTLY APPROVED AND
SUBMITTED FOR ENTRY:

FOR OFFICE OF THE ATTORNEY GENERAL, STATE OF FLORIDA, DEPARTMENT OF
LEGAL AFFAIRS

PAMELA JO BONDI
ATTORNEY GENERAL

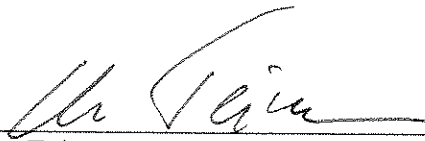
By: 
Patrice Malloy
Chief, Multi-State and Privacy Bureau
Florida Bar No. 137911
Office of the Attorney General
110 Southeast 6th Street
Fort Lauderdale, FL 33301

Dated: Sept. 5, 2017

By: 
Gregory Sadowski
Assistant Attorney General
Multi-State and Privacy Bureau
Florida Bar No. 101960
Office of the Attorney General
110 Southeast 6th Street
Fort Lauderdale, FL 33301

Dated: 9/5/17

DEFENDANT, LENOVO (UNITED STATES) INC.

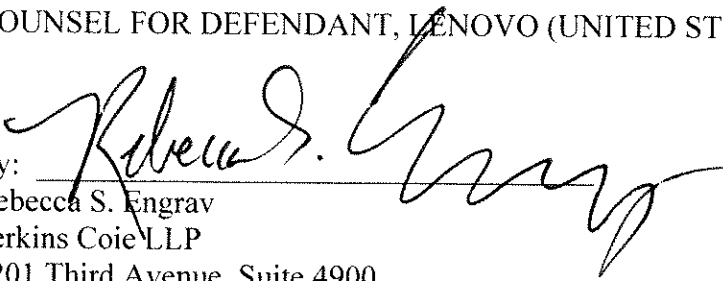
By: 

Date: Aug. 23, 2017

Christian Teismann

Senior Vice President and General Manager, Lenovo North America Sales (Interim)

COUNSEL FOR DEFENDANT, LENOVO (UNITED STATES) INC.

By: 

Date: Aug. 24, 2017

Rebecca S. Engrav

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Seattle, WA 98101

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Facsimile: (206) 359-7168

Email: rengrav@perkinscoie.com

IT IS SO ORDERED, APPROVED and ENTERED in Chambers in Broward County,
Florida this ____ day of _____, 2017

By: _____
CIRCUIT COURT JUDGE