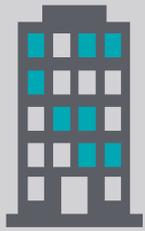


## PRIVACY AND DATA SECURITY

# The California Consumer Privacy Act

The California Consumer Privacy Act (CCPA) is set to begin implementation in 2020. It is the strictest privacy legislation in the country, granting California residents significantly more control over their personal information. Are you prepared to comply?

## Who Must Comply?



1. For-profit businesses



2. That process data of California residents

3. AND that either:



Have annual revenues > \$25 million OR



Obtain personal information of 50,000 or more California residents annually OR



Derive 50% or more of their annual revenue from selling California residents' personal information

## What Rights Does the CCPA Afford California Residents?



### 1. Right to Access

California residents may request individual disclosure of both the categories and the specific pieces of personal information a business has collected about the resident. They can also request the sources of the information, the purpose for collecting or selling it, and the categories of third parties that their information has been shared with. Businesses must designate two or more methods for requests to access information and provide the information within 45 days, free of charge.



### 2. Right to Opt Out or Opt In

California residents may opt out of any sale of their personal information to third parties, and residents under age 16 must opt in to any such sales.



### 3. Right to Deletion

California residents may request that a business delete any personal information it has collected from the resident and direct any service providers to do the same. This is subject to several important exceptions including to complete a transaction or where otherwise reasonably anticipated within the business-consumer relationship.



### 4. Associated Rights

California residents have other rights associated with their primary rights as detailed above. These include the right to receive their personal information in a readily usable format and the right to be free from discrimination such that businesses may not charge different prices or provide different services to those who exercise their CCPA rights. Additionally, information about how California residents can exercise their rights must be included in the company's online privacy policy or website, and there must be a clear, conspicuous link on the homepage to opt out of the sale of personal information.

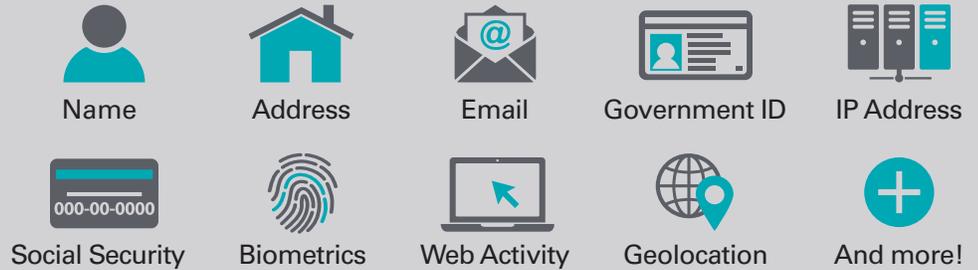


### 5. Private Right of Action for Data Breaches

If a business fails to maintain reasonable safeguards of information and this results in unauthorized access and disclosure or theft of personal information, individuals can bring a private right of action with statutory damages between \$100 and \$750 per incident, per resident or actual damages, whichever is greater. Businesses have a 30-day right to cure to avoid suit.

# What Is Covered?

Personal information includes information that identifies, relates to, describes, is capable of being associated with or could reasonably be linked, directly or indirectly, with a particular resident or household.



# Are There Any Exceptions?

There are several exceptions that might take personal information outside the CCPA's reach:



# What Role Will the Attorney General Play?

Violations are actionable by the California Attorney General (AG) after a 30-day cure period has passed. Statutory penalties for noncompliance include up to \$2,500 per violation via the state's Unfair Competition Law and up to \$7,500 per intentional violation via the CCPA. The AG is expected to release implementing regulations in 2019.



# How Can Businesses Prepare for Implementation?



Businesses must undergo potentially complicated measures to comply with the CCPA. Businesses should be assessing their data collection and use practices and implementing systems to enable them to respond to requests well before 2020.

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### Stay Up to Date

Manatt's Privacy and Data Security practice will be covering the CCPA as we count down to the compliance date. Stay in the loop with the latest articles, webinars and tools at [www.manatt.com/CCPA](http://www.manatt.com/CCPA).

### About Manatt:

This overview is provided for general guidance. Further discussion with legal advisors is required for a detailed and specific CCPA compliance assessment. Manatt, Phelps & Phillips, LLP, is a multidisciplinary, integrated national professional services firm known for quality and an extraordinary commitment to clients with offices strategically located in California, New York, Chicago and Washington, D.C. For more information, visit [www.manatt.com](http://www.manatt.com).