

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

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| In the Matter of |) | |
| |) | AGREEMENT CONTAINING |
| |) | CONSENT ORDER |
| Snapchat Inc., |) | |
| a corporation. |) | |
| |) | FILE NO. 132 3078 |

The Federal Trade Commission ("Commission") has conducted an investigation of certain acts and practices of Snapchat Inc. ("Snapchat" or "proposed respondent"). Proposed respondent, having been represented by counsel, is willing to enter into an agreement containing a consent order resolving the allegations contained in the attached draft complaint. Therefore,

IT IS HEREBY AGREED by and between Snapchat Inc., by its duly authorized officers, and counsel for the Federal Trade Commission that:

1. Proposed respondent Snapchat, Inc. the successor corporation to Toyopa Group LLC a Delaware corporation with its principal office or place of business at 63 Market Street Venice, California 90291
2. Proposed respondent either admits nor denies any of the allegations in the draft complaint, except as specifically stated in this order. Only for purposes of this action, proposed respondent admits the facts necessary to establish jurisdiction.
3. Proposed respondent waives
 - A. any further procedural steps;
 - B. the requirement that the Commission's decision contain a statement of findings of fact and conclusions of law; and
 - C. all rights to seek judicial review or otherwise to challenge or contest the validity of the order entered pursuant to this agreement.
4. This agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission, it, together with the draft complaint, will be placed on the public record for a period of thirty (30) days and information about it publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify proposed respondent, in which event it will take such action as it may consider appropriate, or issue and serve

its complaint (in such form as the circumstances may require) and decision in disposition of the proceeding.

5. This agreement is for settlement purposes only and does not constitute an admission by proposed respondent that the law has been violated as alleged in the draft complaint, or that the facts as alleged in the draft complaint, other than the jurisdictional facts, are true.
6. This agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Section 2.34 of the Commission's Rules, the Commission may, without further notice to proposed respondent, (1) issue its complaint corresponding in form and substance with the attached draft complaint and its decision containing the following order in disposition of the proceeding, and (2) make information about it public. When so entered, the order shall have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The order shall become final upon service. Delivery of the complaint and the decision and order to proposed respondent's address as stated in this agreement by any means specified in Section 4.4(a) of the Commission's Rules shall constitute service. Proposed respondent waives any right it may have to any other manner of service. The complaint may be used in construing the terms of the order. No agreement, understanding, representation, or interpretation not contained in the order or the agreement may be used to vary or contradict the terms of the order.
7. Proposed respondent has read the draft complaint and consent order. Proposed respondent understands that it may be liable for civil penalties in the amount provided by law and other appropriate relief for each violation of the order after it becomes final.

ORDER

DEFINITIONS

For purposes of this Order, the following definitions shall apply:

1. "Covered Information" shall mean information from or about an individual consumer including but not limited to (a) a first and last name; (b) a home or other physical address, including street name and name of city or town; (c) an email address or other online contact information, such as an instant messaging user identifier or a screen name; (d) a telephone number; (e) a persistent identifier, such as a customer number held in a "cookie," a static Internet Protocol ("IP") address, a mobile device, ID or processor serial number; (f) precise geolocation data of an individual or mobile device, including GPS based, WiFi-based, or cell-based location information; (g) an authentication credential, such as a username or password; or (h) any communications or content that is

management including training on the requirements of this order; and (2) product design, development and research;

- C. the design and implementation of reasonable privacy controls and procedures to address the risks identified through the privacy assessment, and regular testing or monitoring of the effectiveness of the privacy controls procedures;
- D. the development and use of reasonable steps to select service providers capable of maintaining security practices consistent with this order, and requiring service providers by contract to implement and maintain appropriate safeguards;
- E. the evaluation and adjustment of respondent's privacy program in light of the results of the testing and monitoring required by subpart C, any material changes to respondent's operations or business arrangements, or any other circumstances that respondent knows or has reason to know may have a material impact on the effectiveness of its privacy program.

III.

IT IS FURTHER ORDERED that, in connection with its compliance with Part of this order, respondent shall obtain initial and biennial assessments and reports ("Assessments") from a qualified, objective, independent third party professional, who uses procedures and standards generally accepted in the profession. A person hired to prepare such Assessments shall have a minimum of three (3) years of experience in the field of privacy and data protection. All persons selected to conduct such assessments and prepare such reports shall be approved by the Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. The reporting period for the Assessments shall cover: (1) the first one hundred eighty (180) days after service of the order for the initial Assessment; and (2) each two (2) year period thereafter for twenty (20) years after service of the order for the biennial Assessments. Each Assessment shall:

- A. set forth the specific privacy controls that respondent has implemented and maintained during the reporting period;
- B. explain how such privacy controls are appropriate to respondent's size and complexity, the nature and scope of respondent's activities, and the sensitivity of the covered information;
- C. explain how the safeguards that have been implemented meet or exceed the protections required by Part II of this order; and

V.

IT IS FURTHER ORDERED that respondent shall deliver a copy of this order to all current and future subsidiaries, current and future principals, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities relating

VIII .

This order will terminate twenty (20) years from the date of its issuance, or twenty (20) years from the most recent date that the United States or the Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

- A. any Part in this order that terminates in fewer than twenty (20) years;
- B. this order's application to any respondent that is not named as a defendant in such complaint; and
- C. this order if such complaint is filed after the order has terminated pursuant to this Part.

Provided, further that if such complaint is dismissed or a federal court rules that respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order as to such respondent will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

Signed this _____ day of _____, 2014.

SNAPCHAT, INC.

Dated: _____

By: _____
EVAN SPIEGEL, Chief Executive Officer
SnapchatInc.

Dated: _____

By: _____
REBECCA S. ENGRAVEsq.
Perkins Coie LLP
1201 Third Avenue, Suite 4900
Seattle, WA 98101

FEDERAL TRADE COMMISSION

Dated: _____

By: _____

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APPROVED:

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