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UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

Incenh I Simons Chairman

COMMISSIONERS.	Noah Joshua Phillips Rohit Chopra Rebecca Kelly Slaughter Christine S. Wilson
In the Matter of)
LotaData, Inc. a corporation) DOCKET NO. C-4700))

COMMISSIONEDS.

COMPLAINT

The Federal Trade Commission ("FTC"), having reason to believe that LotaData, Inc., a corporation, has violated the Federal Trade Commission Act ("FTC Act"), and it appearing to the Commission that this proceeding is in the public interest, alleges:

- 1. Respondent LotaData, Inc. is a Delaware corporation with its principal office or place of business at 169 11th Street, San Francisco, CA 94103.
- 2. Respondent provides analysis of mobile users' location data.
- 3. The acts and practices of Respondent as alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act.
 - privacy policies and statements about its practices, including statements related to its participation in the EU-U.S. and the Swiss-U.S. Privacy Shield frameworks agreed upon by the U.S. government and the European Commission.
- 5. In fact, Respondent has not been certified to participate in either the EU-U.S. or the Swiss-U.S. Privacy Shield frameworks.

Privacy Shield

6. The EU-U.S. Privacy Shield framework ("Privacy Shield") was designed by the U.S. Department of Commerce ("Commerce") and the European Commission to provide a mechanism for U.S. companies to transfer personal data outside of the EU that is

consistent with the requirements of the European Union Directive on Data Protection. Enacted in 1995, the Directive sets forth EU requirements for privacy and the protection

Privacy Shield

LotaData complies with the EU-U.S. Privacy Shield Framework and the Swiss-U.S. Privacy Shield Framework as set forth by the U.S. Department of Commerce regarding the collection, use, and retention of personal information transferred from the European Union and Switzerland to the United States. LotaData has certified to the Department of Commerce that it adheres to the Privacy Shield Principles. To learn more about the Privacy Shield program, and to view our certification, please visit https://www.privacyshield.gov/.

12. Although Respondent initiated an application to Commerce for Privacy Shield certification in November 2017, it did not complete the steps necessary to participate in either the EU-U.S. or the Swiss-U.S. Privacy Shield frameworks and continued to make the statements described in Paragraph 11 in its privacy policy. Therefore, the representation set forth in Paragraph 11 is false and misleading.

Count 1-Privacy Misrepresentation

- 13. As described in Paragraph 11, Respondent represents, directly or indirectly, expressly or by implication, that it is a participant in the EU-U.S and the Swiss-U.S. Privacy Shield frameworks.
- 14. In fact, as described in Paragraph 12, Respondent was never certified to participate in either the EU-U.S. or the Swiss-U.S. Privacy Shield frameworks. Therefore, the representation set forth in Paragraph 11 is false or misleading.

Violations of Section 5 of the FTC Act

15. The acts and practices of Respondent as alleged in this complaint constitute deceptive acts or prathefTf -1I,U1w -10.D4 Tc -