

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

UNITED STATES OF AMERICA.

Case No: 2:25-cv-08223

Plaintiff,

V.

DISNEY WORLDWIDE SERVICES,
INC., a corporation; and

[Proposed] ORDER FOR
PERMANENT INJUNCTION,
CIVIL PENALTY JUDGMENT,
AND OTHER RELIEF

DISNEY ENTERTAINMENT
OPERATIONS LLC, a limited
liability company,

Defendants

Plaintiff, the United States of America, acting upon notification by the Federal Trade Commission (“Commission”), filed its Complaint for Permanent

1 Injunction, Civil Penalty Judgment, and Other Relief (“Complaint”), for a
2 permanent injunction, civil penalties, and other relief in this matter, pursuant to
3 Sections 5(m)(1)(A) and 13(b) of the Federal Trade Commission Act (“FTC Act”),
4 15 U.S.C. §§ 45(m)(1)(A) and 53(b), Sections 1303(c) and 1306(d) of the
5 Children’s Online Privacy Protection Act (“COPPA”), 15 U.S.C. §§ 6502(c) and
6 6505(d), and the Commission’s Children’s Online Privacy Protection Rule
7 (“COPPA Rule”), 16 C.F.R. Part 312 (attached as Appendix A). Defendants have
8 waived service of the summons and the Complaint. Plaintiff and Defendants
9 stipulate to the entry of this Stipulated Order for Permanent Injunction, Civil
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Penalty Judgment, and Other Relief (“Order”) to resolve all matters in dispute in
this action between them.

14 THEREFORE, IT IS ORDERED as follows:

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FINDINGS

16 1. This Court has jurisdiction over this matter.
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18 2. The Complaint charges that Defendants violated the COPPA Rule
19 and Section 5 of the FTC Act, 15 U.S.C. § 45, by failing to provide complete
20 direct notice to Parents, failing to provide complete online notice of its
21 information practices with regard to Children, and failing to Obtain Verifiable
22 Parental Consent prior to Collecting, using, or Disclosing Personal Information
23 from Children.

3. Defendants neither admit nor deny any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, Defendant admits the facts necessary to establish jurisdiction.

4. Defendants waive any claim that they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agree to bear their own costs and attorney fees.

5. Defendants and Plaintiff waive all rights to appeal or otherwise challenge or contest the validity of this Order.

DEFINITIONS

For the purpose of this Order, the following definitions apply:

A. “**Child**” or “**Children**” means any individual or individuals under the age of

B. **“Collects”** or **“Collection”** means the gathering of any Personal Information from a Child by any means, including but not limited to:

1. Requesting, prompting, or encouraging a Child to submit Personal Information online;

2. Enabling a Child to make Personal Information publicly available in identifiable form; or

3 Passive tracking of a Child online

- C. **“Covered Entity”** means Defendants’ subsidiary or division that (1) Publishes Videos to a Covered Service or (2) oversees or manages the Audience Designation Program.
- D. **“Covered Service(s)”** means (1) the YouTube Platform or (2) any successor to the YouTube Platform.
- E. **“Defendant”** or **“Disney”** means Disney Worldwide Services, Inc., a corporation, and Disney Entertainment Operations LLC, a limited liability company, and their subsidiaries and divisions, and their successors and assigns, individually, collectively, or in any combination.
- F. **“Disclose” or “Disclosure”** means, with respect to Personal Information:
 1. The Release of Personal Information Collected by an Operator from a Child in identifiable form for any purpose, except where an Operator provides such information to a Person who provides Support for the Internal Operations of the Website or Online Service; and
 2. Making Personal Information Collected by an Operator from a Child publicly available in identifiable form by any means, including but not limited to a public posting through the Internet, or through a personal home page or screen posted on a website or online service; a pen pal service; an electronic mail service; a message board; or a chat room.

- G. **“Internet”** means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire, radio, or other methods of transmission.
- H. **“Kids Video”** means a Video that Defendants designate as Made for Kids on a Covered Service pursuant to the Audience Designation Program based on an assessment of its subject matter, visual content, use of animated characters or Child-oriented activities and incentives, music or other audio content, age of models, presence of Child celebrities or celebrities who appeal to Children, language or other characteristics, whether advertising promoting or appearing on the website or online service is directed to Children, competent and reliable empirical evidence regarding audience composition and evidence regarding the intended audience.
- I. **“Made for Kids”** means the YouTube Platform setting to designate the audience for a Video Published by an Operator as for Children or the audience for a channel on which Video(s) are Published as for Children.

1 J. **“Obtain(ing) Verifiable Parental Consent”** means making a reasonable
2 effort (taking into consideration available technology) to ensure that before
3 Personal Information is Collected from a Child, a Parent of the Child:
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- 5 1. Receives notice of the Operator’s Personal Information Collection,
6 use, and Disclosure practices; and
- 7 2. Authorizes any Collection, use, and/or Disclosure of the Personal
8 Information, using a method reasonably calculated, in light of
9 available technology, to ensure that the Person providing consent is
10 the Child’s Parent.

11 K. **“Online Contact Information”** means an email address or any other
12 substantially similar identifier that permits direct contact with a Person
13 online, including but not limited to, an instant messaging user identifier, a
14 voice over internet protocol (VOIP) identifier, or a video chat user identifier.

15 L. **“Operator”** means any Person who operates a website located on the
16 Internet or an online service and who Collects or maintains Personal
17 Information from or about the users of or visitors to such website or online
18 service, or on whose behalf such information is Collected or maintained, or
19 offers products or services for sale through that website or online service,
20 where such website or online service is operated for commercial purposes
21 involving commerce among the several States or with one or more foreign
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1 nations; in any territory of the United States or in the District of Columbia,
2 or between any such territory and another such territory or any State or
3 foreign nation; or between the District of Columbia and any State, territory,
4 or foreign nation. This definition does not include any nonprofit entity that
5 would otherwise be exempt from coverage under Section 5 of the Federal
6 Trade Commission Act (15 U.S.C. § 45). Personal Information is Collected
7 or maintained on behalf of an Operator when:

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- 9 1. It is Collected or maintained by an agent or service provider of the
10 Operator; or
- 11 2. The Operator benefits by allowing another Person to Collect Personal
12 Information directly from users of such website or online service.

14 M. **“Parent”** includes a legal guardian.

15 N. **“Person”** means any individual, partnership, corporation, trust, estate,
16 cooperative, association, or other entity.

17 O. **“Personal Information”** means individually identifiable information about
18 an individual Collected online, including:

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- 20 1. A first and last name;
- 21 2. A home or other physical address including street name and name of a
22 city or town;
- 23 3. Online Contact Information;

1 R. **“Support for the Internal Operations of the Website or Online Service”**

2 means:

3 1. Those activities necessary to:

4 a. Maintain or analyze the functioning of the website or online
5 service;

6 b. Perform network communications;

7 c. Authenticate users of, or personalize the content on, the website
8 or online service;

9 d. Serve contextual advertising on the website or online service, or
10 cap the frequency of advertising;

11 e. Protect the security or integrity of the user, website, or online
12 service;

13 f. Ensure legal or regulatory compliance; or

14 g. Fulfill a request of a Child as permitted by Sections 312.5(c)(3)
15 and (4) of the COPPA Rule (Appendix A);

16 2. So long as the information Collected for the activities listed in 1(a)-(g)
17 is not used or Disclosed to contact a specific individual, including
18 through behavioral advertising, to amass a profile on a specific
19 individual, or for any other purpose.

1 S. **“Third Party”** means any Person who is not:

2 1. An Operator with respect to the Collection or maintenance of Personal

3 Information on the website or online service; or

4 2. A Person who provides Support for the Internal Operations of the

5 Website or Online Service and who does not use or Disclose

6 information protected under the COPPA Rule, 16 C.F.R. Part 312

7 (Appendix A), for any other purpose.

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9 T. **“Video(s)”** means any video that is Published.

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11 U. **“Website or Online Service Directed to Children”** means a commercial

12 website or online service, or portion thereof, that is targeted to Children as

13 set forth under the COPPA Rule, 16 C.F.R. Part 312 (Appendix A).

14 1. In determining whether a website or online service, or a portion

15 thereof, is directed to Children, the factfinder will consider its subject

16 matter, visual content, use of animated characters or Child-oriented

17 activities and incentives, music or other audio content, age of models,

18 presence of Child celebrities or celebrities who appeal to Children,

19 language or other characteristics of the website or online service, as

20 well as whether advertising promoting or appearing on the website or

21 online service is directed to Children. The factfinder will also consider

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competent and reliable empirical evidence regarding audience composition and evidence regarding the intended audience.

2. A website or online service shall be deemed directed to Children when it has actual knowledge that it is Collecting Personal Information directly from users of another website or online service directed to Children.
3. A website or online service that is directed to Children under the criteria set forth in paragraph (1) of this definition, but that does not target Children as its primary audience, shall not be deemed directed to Children if it:
 - a. Does not Collect Personal Information from any visitor prior to Collecting age information; and
 - b. Prevents the Collection, use, or Disclosure of Personal Information from visitors who identify themselves as under age 13 without first complying with the notice and parental consent provisions of 16 C.F.R. Part 312.

A website or online service shall not be deemed directed to Children solely because it refers or links to a commercial website or online service directed to Children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

1 V. “**YouTube Platform**” means the streaming service available at
2 YouTube.com and on YouTube applications.

3 **ORDER**

4 **I. INJUNCTION CONCERNING COLLECTION OF PERSONAL**
5 **INFORMATION FROM CHILDREN**

6 IT IS ORDERED that Defendants, Defendants’ officers, agents, employees,
7 and all other Persons in active concert or participation with any of them, who
8 receive actual notice of this Order, whether acting directly or indirectly, to the
9 extent Defendants operate a channel on a Covered Service, and in connection with
10 operation of such channel, are hereby permanently restrained and enjoined from:

11 A. Failing to make reasonable efforts, taking into account available
12 technology, to ensure that a Parent of a Child receives direct notice as required by
13 Section 312.4(c) of the Rule, 16 C.F.R. § 312.4(c), unless the COPPA Rule, 16
14 C.F.R. Part 312 (Appendix A), provides an exception to providing such notice;

15 B. Failing to post a prominent and clearly labeled link to an online notice
16 of Defendants’ information practices with regard to Children on the home or
17 landing page or screen of Defendants’ website or online service, *and* at each area
18 of Defendants’ website or online service where Personal Information is Collected
19 from Children, unless the COPPA Rule, 16 C.F.R. Part 312 (Appendix A),
20 provides an exception to providing such notice;

C. Failing to Obtain Verifiable Parental Consent before any Collection, use, or Disclosure of Personal Information from Children, including consent to any material change in the Collection, use, or Disclosure practices to which the Parent has previously consented, unless COPPA Rule, 16 C.F.R. Part 312 (Appendix A), provides an exception to Obtaining Verifiable Parental Consent; and

D. Violating the COPPA Rule, 16 C.F.R. Part 312 (Appendix A).

II. MANDATED AUDIENCE DESIGNATION PROGRAM

IT IS FURTHER ORDERED that Defendants, to the extent Defendants Publish Video(s) to a channel on the YouTube Platform, must, within one-hundred eighty (180) days of the date of entry of this Order, establish and implement, and thereafter maintain for ten (10) years, a program to review whether each of Defendants' Videos on the YouTube Platform is a Kids Video, and, if in Defendants' assessment it is, designate the Video as Made for Kids ("Audience Designation Program"); however, nothing in this Provision II is required in the event that: (1) the YouTube Platform no longer enables content creators to designate the audience for a Video as Made for Kids; or (2) the YouTube Platform implements measures to determine the age, age range, or age category of all YouTube users and either (a) the YouTube Platform restricts the collection of Personal Information, consistent with the COPPA Rule, 16 C.F.R. Part 312, from Children, or (b) the YouTube Platform enables Defendants to restrict the collection

1 of Personal Information, consistent with the COPPA Rule, 16 C.F.R. Part 312,
2 from Children.

3 To satisfy the requirements of Provision II, at a minimum:

4 A. Defendants must document in writing the relevant content,
5 implementation, and maintenance of the Audience Designation Program;

6 B. Defendants must designate a qualified employee or employees to
7 coordinate and be responsible for the Audience Designation Program;

8 C. Defendants must provide the written Audience Designation Program
9 to a senior employee responsible for the Audience Designation Program at least
10 once every twelve (12) months;

11 D. Defendants must train employees with roles and responsibilities in
12 Publishing Videos on the YouTube Platform on the requirements of the Audience
13 Designation Program upon hire and, at least once every twelve (12) months
14 thereafter; and

15 E. Assess and document, at least every twelve (12) months, the
16 effectiveness of the Audience Designation Program.

17 Nothing in this Provision II prevents Defendants from participating in a safe harbor
18 program under the COPPA Rule, 16 C.F.R. 312.11 (Appendix A).

III. MONETARY JUDGMENT FOR CIVIL PENALTY

IT IS FURTHER ORDERED that:

A. Judgment in the amount of ten million dollars (\$10,000,000) is entered in favor of Plaintiff against Defendants, as a civil penalty.

B. Defendants are ordered to pay to Plaintiff, by making payment to the Treasurer of the United States, ten million dollars (\$10,000,000), which, as Defendants stipulate, their undersigned counsel holds in escrow for no purpose other than payment to Plaintiff. Such payment must be made within seven (7) days of entry of this Order by electronic fund transfer in accordance with instructions provided by a representative of Plaintiff.

C. Defendants relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets.

D. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the Commission in a proceeding to enforce its rights to any payment or monetary judgment pursuant to this Order.

E. Defendants acknowledge that their Taxpayer Identification Numbers, which Defendants must submit to the Commission, may be used for collecting and

reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.

IV. ORDER ACKNOWLEDGMENTS

IT IS FURTHER ORDERED that Defendants obtain acknowledgments of receipt of this Order:

A. Each Defendant, within ten (10) days of entry of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.

B. For five (5) years after entry of this Order, each Defendant must deliver a copy of this Order to: (1) all principals, officers, directors, managers and members; (2) all employees of a Covered Entity having managerial responsibilities for conduct related to the subject matter of the Order, and all agents and representatives of a Covered Entity who participate in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure as set forth in the Provision titled Compliance Reporting. Delivery must occur within ten (10) days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

1 C. From each individual or entity to which a Defendant delivered a copy
2 of this Order, that Defendant must obtain, within thirty (30) days, a signed and
3 dated acknowledgment of receipt of this Order.
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5 **V. COMPLIANCE REPORTING**

6 IT IS FURTHER ORDERED that Defendants make timely submissions to
7 the Commission:

8 A. One year after entry of this Order, each Defendant must submit a
9 compliance report, sworn under penalty of perjury, in which each Defendant must:
10 (a) identify the primary physical, postal, and email address and telephone number,
11 as designated points of contact, which representatives of the Commission and
12 Plaintiff may use to communicate with that Defendant; (b) identify the Covered
13 Entities by all of their names, telephone numbers, and physical, postal, email, and
14 Internet addresses; (c) describe that Defendant's use of each Covered Service to
15 Publish Videos; (d) describe in detail whether and how that Defendant is in
16 compliance with each Provision of this Order; (e) provide a copy of each
17 materially different version of any Defendant privacy notice for each Covered
18 Service or notice sent to Parents of Children that register for each Covered Service
19 unless the COPPA Rule, 16 C.F.R. Part 312 (Appendix A), provides an exception
20 to providing such notice, in which case the Defendant will solely be required to
21 identify the applicable exception; (f) provide a statement setting forth in detail the
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1 methods used to Obtain Verifiable Parental Consent prior to any Collection, use,
2 and/or Disclosure of Personal Information from Children in connection with use
3 of each Covered Service, unless the COPPA Rule, 16 C.F.R. Part 312 (Appendix
4 A), provides an exception to providing such Verifiable Parental Consent, in which
5 case the Defendant will solely be required to identify the applicable exception; (g)
6 provide a statement setting forth in detail the means provided for Parents to
7 review the Personal Information, if any, Collected by that Defendant from their
8 Children through any Covered Service and to refuse to permit that Defendant's
9 further use or maintenance for each Covered Service; and (h) provide a copy of
10 each Order Acknowledgment obtained pursuant to this Order, unless previously
11 submitted to the Commission.

14 B. For ten (10) years after entry of this Order, each Defendant must
15 submit a compliance notice, sworn under penalty of perjury, within fourteen (14)
16 days of any change in: (a) any designated point of contact; or (b) the structure of
17 Defendant or any entity that Defendant has any ownership interest in or controls,
18 directly or indirectly, that may affect compliance obligations arising under this
19 Order, including: creation, merger, sale, or dissolution of the entity or any
20 subsidiary, parent, or affiliate that engages in any acts or practices related to that
21 Defendant's compliance with the COPPA Rule, 16 C.F.R. Part 312 (Appendix A),
22 or that Publishes Videos to a Covered Service subject to this Order.

1 C. Each Defendant must submit to the Commission notice of the filing of
2 any bankruptcy petition, insolvency proceeding, or similar proceeding by or
3 against such Defendant within fourteen (14) days of its filing.

4 D. Any submission to the Commission required by this Order to be
5 sworn under penalty of perjury must be true and accurate and comply with 28
6 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under
7 the laws of the United States of America that the foregoing is true and correct.
8 Executed on: _____” and supplying the date, signatory’s full name, title (if
9 applicable), and signature.

10 E. Unless otherwise directed by a Commission representative in writing,
11 all submissions to the Commission pursuant to this Order must be emailed to
12 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
13 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
14 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The
15 subject line must begin: United States v. Disney Worldwide Services, Inc.
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17 **VI. RECORDKEEPING**

18 IT IS FURTHER ORDERED that Defendants must create certain records for
19 ten (10) years after entry of the Order, and retain each such record for five (5)
20 years. Specifically, each Defendant must create and retain the following records
21 for such Defendant’s use of a Covered Service:

1 A. Accounting records showing any revenues related to a Covered
2 Service;

3 B. Personnel records showing, for each Person having managerial
4 responsibility for using a Covered Service on behalf of a Covered Entity, whether
5 as an employee or otherwise, that Person's: name; addresses; telephone numbers;
6 job title or position; dates of service; and (if applicable) the reason for
7 termination;

8 C. Records of all consumer complaints relating to that Defendant's
9 Collection of Personal Information from Children through each Covered Service,
10 and any response; and

11 D. All records necessary to demonstrate full compliance with each
12 Provision of this Order, including all submissions to the Commission.

13 **VII. COMPLIANCE MONITORING**

14 IT IS FURTHER ORDERED that, for the purpose of monitoring
15 Defendants' compliance with this Order:

16 A. Within fourteen (14) days of receipt of a written request from a
17 representative of the Commission or Plaintiff, each Defendant must: submit
18 additional compliance reports or other requested information, which must be
19 sworn under penalty of perjury; appear for depositions; and produce documents
20 for inspection and copying. The Commission and Plaintiff are also authorized to
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1 obtain discovery, without further leave of court, using any of the procedures
2 prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic
3 depositions), 31, 33, 34, 36, 45, and 69.

4 B. For matters concerning this Order, the Commission and Plaintiff are
5 authorized to communicate directly with Defendants. Defendants must permit
6 representatives of the Commission and Plaintiff to interview any employee or
7 other Person affiliated with any Defendant who has agreed to such an interview.
8 The Person interviewed may have counsel present.

9 C. The Commission and Plaintiff may use all other lawful means,
10 including posing, through its representatives, as consumers, suppliers, or other
11 individuals or entities, to Defendant or any individual or entity affiliated with
12 Defendants, without the necessity of identification or prior notice. Nothing in this
13 Order limits the Commission's lawful use of compulsory process, pursuant to
14 Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

15 **VIII. RETENTION OF JURISDICTION**

16 IT IS FURTHER ORDERED that this Court retains jurisdiction of this
17 matter for purposes of construction, modification, and enforcement of this Order.

18 **SO ORDERED** this 23rd day of December, 2025.

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21 UNITED STATES DISTRICT JUDGE

The parties hereby consent to the terms and conditions of the Order as set forth above and consent to the entry thereof.

FOR PLAINTIFF UNITED STATES OF AMERICA:

BRETT A. SHUMATE
Assistant Attorney General, Civil Division

JORDAN C. CAMPBELL
Deputy Assistant Attorney General

SARMAD M. KHOJASTEH
Senior counsel

LISA K. HSIAO
Acting Director, Consumer Protection Branch

ZACHARY A. DIETERT Assistant Director

/s/ Zachary L. Cowan

Date: 09/02/2025

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12 **FOR DEFENDANTS:**

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F4380969-0032-422 Date: 07/02/2025
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22 *Counsel for Disney Worldwide Services, Inc. and Disney Entertainment Operations*
23 *LLC*

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PROPOSED ORDER

1 **DEFENDANT DISNEY WORLDWIDE SERVICES, INC.:**

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3 *Joanna Balkian* DocuSigned by:
J003A1B9A32274B0 Date: 07/02/2025
4 Joanna Balkian
5 Vice President
6 Disney Worldwide Services, Inc.
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PROPOSED ORDER

1 **DEFENDANT: DISNEY ENTERTAINMENT OPERATIONS LLC**

2 DocuSigned by:

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3 DOCRALE8HJU274B02

4 Joanna Balikian

4 Vice President

5 Disney Entertainment Operations LLC

6 Date: 07/02/2025

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PROPOSED ORDER