

COPY

1 KAMALA D. HARRIS
Attorney General of California
2 ROBERT MORGESTER
Senior Assistant Attorney General
3 ADAM MILLER
Supervising Deputy Attorney General
4 State Bar No. 168254
455 Golden Gate Avenue, Suite 11000
5 San Francisco, CA 94102-7004
Telephone: (415) 703-5551
6 Fax: (415) 703-5480
E-mail: Adam.Miller@doj.ca.gov

ENDORSED
FILED
ALAMEDA COUNTY

AUG 29 2013

CLERK OF THE SUPERIOR COURT
By PILIPINO TUNGOHAN
Deputy

7 *Attorneys for Plaintiff*
8 THE PEOPLE OF THE STATE OF CALIFORNIA

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF ALAMEDA

11
12 THE PEOPLE OF THE STATE OF
13 CALIFORNIA,

14 Plaintiff,

15 v.

16 CITIBANK, N.A.,

17 Defendant.

Case No.

RG 13693591

**STIPULATION FOR ENTRY OF FINAL
JUDGMENT AND PERMANENT
INJUNCTION**

18
19 Plaintiff, the People of the State of California, appearing through its attorney Kamala D.
20 Harris, Attorney General of the State of California, by Supervising Deputy Attorney General
21 Adam Miller (the "Attorney General"), and defendant Citibank, N.A. ("Citibank"), appearing
22 through its attorneys Morrison & Foerster LLP, by William L. Stern, Esq., stipulate as follows:

- 23 1. This Court has jurisdiction of the subject matter hereof and the parties to this
24 Stipulation for Entry of Final Judgment and Permanent Injunction ("Stipulation").
25 2. Citibank alone and without any position taken by Plaintiff contends that on May
26 10, 2011, Citibank discovered that it had been the victim of a criminal hacking attack that
27 involved unauthorized access to its "Account Online" system; that Citibank's investigation of this
28 incident revealed that criminal hackers, through the attack, were able to gain access to certain

1 Citibank customer names and credit card account numbers; that the criminal hackers did not gain
2 access to customers' Social Security numbers, dates of birth, credit card security codes or
3 expiration dates; and, furthermore, Citibank determined that the criminal hackers did not gain
4 access to Citibank's credit card processing system or any other Citibank consumer banking online
5 system.

6 3. Citibank alone and without any position taken by Plaintiff further contends that in
7 response to this incident, Citibank, among other things, implemented internal fraud alerts and
8 enhanced monitoring to protect the relevant accounts; that by June 3, 2011, Citibank began to
9 notify affected customers of the incident and completed that notification by June 13, 2011; and
10 that, ultimately, no Citibank customer was liable for any unauthorized use of their account that
11 may have occurred.

12 4. The Final Judgment and Permanent Injunction ("Final Judgment"), a true and correct
13 copy of which is attached hereto as Exhibit 1, may be entered by any judge of the Alameda
14 County Superior Court. Counsel for Plaintiff may submit the Judgment to any judge of the
15 superior court for approval and signature, during the court's ex parte calendar or on any other ex
16 parte basis.

17 5. Plaintiff and Citibank (collectively, "the Parties") hereby waive their right to move
18 for a new trial or otherwise seek to set aside the Final Judgment through any collateral attack, and
19 further waive their right to appeal from the Final Judgment, except that Plaintiff and Citibank
20 each agree that this Court shall retain jurisdiction for the purposes specified in paragraph 12 of
21 the Final Judgment, as well as for the enforcement of compliance with or punishment of
22 violations of the Final Judgment.

23 6. The Parties have stipulated and consented to the entry of the Final Judgment without
24 the taking of proof and without trial or adjudication of any fact or law herein, without the
25 Judgment constituting evidence of or an admission by Citibank regarding any issue of law or fact
26 alleged in the Complaint on file herein, and without Citibank admitting any liability regarding
27 allegations of violations that occurred prior to the entry of the Final Judgment.

28

1 7. Citibank will accept service of the Complaint and Notice of Entry of Judgment
2 entered in this action by delivery of such notice to its counsel of record, and Citibank agrees that
3 service of the Complaint and Notice of Entry of Judgment will be deemed personal service upon
4 it for all purposes. Citibank waives any defect associated with service of Plaintiff's Complaint
5 and the Final Judgment, and Citibank does not require issuance or service of a Summons.

6 8. The individuals signing below represent that they have been authorized by the parties
7 they represent to sign this Stipulation.

8 9. Citibank has agreed to be enjoined and subjected to affirmative injunctive relief as set
9 forth in the Final Judgment, pursuant to Business and Professions Code section 17203.

10 10. If the Attorney General is required to file a petition or motion to enforce any
11 provision of the Stipulated Judgment against Citibank, Citibank agrees to pay all court costs and
12 reasonable attorneys' fees associated with any successful action to enforce any provision of the
13 Final Judgment.

14 11. This Stipulation and the Final Judgment represent the full and complete terms of the
15 settlement entered into by the Parties hereto.

16 12. If any portion of this Stipulation or the Final Judgment is held invalid by operation of
17 law, the remaining terms of this Stipulation and the Final Judgment shall not be affected and shall
18 remain in full force and effect.

19 13. Unless otherwise prohibited by law, any signatures by the Parties required for entry of
20 this Stipulated Judgment may be executed in counterparts, each of which shall be deemed an
21 original, but all of which shall together be one and the same Stipulated Judgment.

22 //

23 //

24 //

25 //

26 //

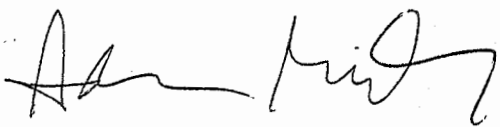
27 //

28 //

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: August 28, 2013

Respectfully Submitted,
KAMALA D. HARRIS
Attorney General of California



ADAM MILLER
Supervising Deputy Attorney General
Attorneys for Plaintiff
THE PEOPLE OF THE STATE OF CALIFORNIA

Dated: _____, 2013

MORRISON & FOERSTER LLP

BY: WILLIAM L. STERN
Attorneys for Defendant
CITIBANK, N.A.

Dated: August 26, 2013

CITIBANK, N.A.

BY: 
NAME: JUDSON C. LINVILLE
TITLE: CEO, CITI CARDS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: _____, 2013

Respectfully Submitted,

KAMALA D. HARRIS
Attorney General of California

ADAM MILLER
Supervising Deputy Attorney General
Attorneys for Plaintiff
THE PEOPLE OF THE STATE OF CALIFORNIA

Dated: August 26, 2013

MORRISON & FOERSTER LLP



BY: WILLIAM L. STERN
Attorneys for Defendant
CITIBANK, N.A.

Dated: _____, 2013

CITIBANK, N.A.

BY: _____
NAME: JUDSON C. LINVILLE
TITLE: CEO, CITI CARDS

EXHIBIT 1

1 **JURISDICTION**

- 2 1. This court has jurisdiction over the subject matter hereof and the parties hereto.
3 2. Venue is proper in this Court.

4 **DISCLAIMER OF ADMISSIONS**

5 3. This Final Judgment is the result of a compromise agreement. Nothing in this
6 Final Judgment or in any act performed by Citibank, or in any document executed pursuant to this
7 Final Judgment, shall be construed as an admission by Citibank of any fact, liability, issue of law,
8 conclusion of law or violation of any statutory or regulatory laws, nor shall compliance with this
9 Final Judgment constitute or be construed as an admission by Citibank of any fact, liability, issue
10 of law, conclusion of law or violation of any statutory or regulatory laws. Moreover, nothing in
11 this Final Judgment or in any of the undertakings by Citibank herein shall imply that Citibank
12 failed to comply with any law, including, but not limited to, any federal or state information
13 security or breach notification law or requirement.

14 **PERMANENT INJUNCTIVE RELIEF**

15 4. Pursuant to Business and Professions Code section 17203, Citibank shall be and
16 hereby is permanently enjoined as set forth in paragraphs 5, 7, and 9 of this Final Judgment.

17 5. Citibank shall notify California residents of any future security incident involving
18 Account Online, and provide notification to the Attorney General, to the extent that Citibank is
19 required by California Civil Code section 1798.82 to provide such notifications.

20 6. The terms of this Final Judgment, including the injunctive terms contained in
21 paragraphs 5, 7, and 9, are applicable to Citibank, including its successors and assigns of all or
22 substantially all of the assets of its business, only with respect to the "Account Online" system, at
23 which Citibank provides its consumer credit card customers with access to information relating to
24 their credit card accounts (referred to as "Account Online"), located at
25 <https://www.accountonline.com> as it is currently named or as it may be renamed in the future.
26 This Final Judgment shall not apply to any service, product, operation or Web site of Citibank
27 other than Account Online, nor to any other affiliate or subsidiary of Citibank or to any service,
28 product, operation or Web site of any affiliate or subsidiary of Citibank, except to the extent that

1 Citibank transfers the ownership and operation of Account Online to an affiliate or subsidiary.

2 7. For any future security incidents involving Account Online regarding which
3 Citibank is required by Civil Code section 1798.82 to provide a California resident with notice,
4 Citibank shall also provide the California resident with credit monitoring, at no cost to the
5 individual, for a period of two (2) years; provided that Citibank shall not be required to provide
6 credit monitoring to a California resident if: (A) Citibank reasonably and in good faith believes
7 that the individual is not at risk of identity theft as a result of the incident; or (B) the "personal
8 information," as defined in Civil Code section 1798.82(h), involved in the incident includes only
9 a California resident's name and Citibank account number.

10 8. For purposes of this Final Judgment: (A) "credit monitoring" shall mean a service
11 designed to monitor the credit files relating to a consumer that are maintained by the three
12 nationwide consumer reporting agencies; and (B) "identity theft" shall mean a fraud committed or
13 attempted using the identifying information of another person, without the person's authority, to
14 open a new financial account in the individual's name.

15 9. Within 180 days after entry of this Final Judgment, Citibank shall seek to obtain an
16 information security audit of Account Online. Such audit shall be conducted by an independent
17 third party selected by Citibank. Within 30 days after completion of the audit, Citibank shall
18 disclose to the Attorney General a detailed summary of the audit findings. If that audit were to
19 identify any deficiencies or recommendations for correction, the identification of those items
20 alone shall not constitute a violation of this Final Judgment or of the laws of California; rather,
21 the parties shall meet and confer in good faith as to a course and timetable for corrective action, if
22 any. The Attorney General reserves her rights to investigate, or enforce the terms of this Final
23 Judgment, following the meeting and conferring with Citibank.

24 **MONETARY PROVISIONS**

25 10. Pursuant to Business and Professions Code section 17206, Citibank shall pay
26 forthwith to the People the amount of \$270,000 as civil penalties and \$150,000 towards
27 reimbursement of the People's attorneys' fees and costs of investigation or prosecution. Payment
28

1 shall be made by one check payable to the "California Attorney General's Office" and shall be
2 delivered to the California Attorney General's Office, 455 Golden Gate Avenue, Suite 11000, San
3 Francisco, California 94012, attention Supervising Deputy Attorney General Adam Miller, no
4 later than fifteen (15) days after the date this Final Judgment is entered.

5 11. Except as otherwise expressly provided herein, each party shall bear its own
6 attorney's fees and costs.

7 **GENERAL PROVISIONS**

8 12. Jurisdiction is retained for the purpose of enabling any party to the Final Judgment
9 to apply to the Court for such further orders and directions as may be necessary and appropriate
10 for the construction and carrying out of the Final Judgment, for the modification or dissolution of
11 any injunctive provisions hereof, for enforcement of compliance herewith, or for the punishment
12 of violations hereof.

13 13. Except as expressly provided in this Final Judgment, nothing in this Final
14 Judgment shall be construed as relieving Citibank of its obligations to comply with all state and
15 federal laws, regulations or rules, or as granting permission to engage in any acts or practices
16 prohibited by such law, regulation or rule.

17 14. Citibank shall use reasonable efforts to notify its officers, directors, employees,
18 agents, and contractors responsible for carrying out and effecting the terms of this Final Judgment
19 of the obligations, duties, and responsibilities imposed on Citibank by this Final Judgment.

20 15. This Final Judgment shall take effect immediately upon entry thereof.

21 16. The Clerk is directed to enter this stipulated Final Judgment forthwith.

22
23 Dated: _____, 2013

24
25 By: _____
26 JUDGE OF THE SUPERIOR COURT

DECLARATION OF SERVICE BY U.S. MAIL

Case Name: People v. Citibank, N.A.
No.: Alameda County Superior Court

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On August 28, 2013, I served the attached **STIPULATION FOR ENTRY OF FINAL JUDGMENT AND PERMANENT INJUNCTION** by placing a true copy thereof enclosed in a sealed envelope in the internal mail collection system at the Office of the Attorney General at 455 Golden Gate Avenue, Suite 11000, San Francisco, CA 94102-7004, addressed as follows:

William L. Stern
Morrison & Foerster
425 Market Street
San Francisco, CA 94105

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on August 28, 2013, at San Francisco, California.

Brenda Zuniga
Declarant


Signature