

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): KAMALA D. HARRIS Attorney General of California 455 Golden Gate Avenue, Suite 11000 San Francisco, CA 94102-7004 Sup. Dep. Atty. Gen'l Adam Miller, SBN 168254 TELEPHONE NO.: 415-703-5551 FAX NO. (Optional) 415-703-1234 E-MAIL ADDRESS (Optional): ATTORNEY FOR (Name): THE PEOPLE OF THE STATE OF CALIFORNIA	FOR COURT USE ONLY ENDORSED FILED ALAMEDA COUNTY FEB 14 2014 CLERK OF THE SUPERIOR COURT By <u>S. IVAMU</u> Deputy
SUPERIOR COURT OF CALIFORNIA, COUNTY OF Alameda STREET ADDRESS: 1221 Oak Street MAILING ADDRESS: CITY AND ZIP CODE: Oakland, CA 94612 BRANCH NAME: County Administration Building	
PLAINTIFF/PETITIONER: The People of the State of California DEFENDANT/RESPONDENT: Kaiser Foundation Health Plan, Inc.	
<p style="text-align: center;">NOTICE OF ENTRY OF JUDGMENT OR ORDER</p> (Check one): <input checked="" type="checkbox"/> UNLIMITED CASE (Amount demanded exceeded \$25,000) <input type="checkbox"/> LIMITED CASE (Amount demanded was \$25,000 or less)	CASE NUMBER: RG14711370

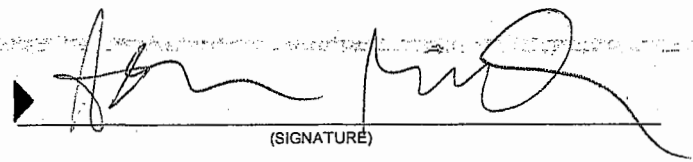
TO ALL PARTIES :

1. A judgment, decree, or order was entered in this action on (date): February 10, 2014
2. A copy of the judgment, decree, or order is attached to this notice.

Date: February 13, 2014

Adam Miller

(TYPE OR PRINT NAME OF ATTORNEY PARTY WITHOUT ATTORNEY)



(SIGNATURE)

ATTACHMENT



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

KAMALA D. HARRIS
Attorney General of California
ROBERT M. MORGESTER
Senior Assistant Attorney General
ADAM MILLER (State Bar No. 168254)
Supervising Deputy Attorney General
STACEY D. SCHESSER (State Bar No. 245735)
Deputy Attorney General
455 Golden Gate Avenue, Suite 11000
San Francisco, CA 94102-7004
Telephone: (415) 703-5507
Fax: (415) 703-5843
E-mail: Stacey.Schesser@doj.ca.gov

FILED
ALAMEDA COUNTY
FEB 10 2014
CLERK OF THE SUPERIOR COURT
By [Signature] Deputy

Attorneys for Plaintiff
THE PEOPLE OF THE STATE OF CALIFORNIA

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA

ORIGINAL

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

vs.

KAISER FOUNDATION HEALTH PLAN,
INC.,

Defendant.

Case No. **RG 14711370**

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

Plaintiff, the People of the State of California, appearing through its attorney, Kamala D. Harris, Attorney General of the State of California, by Deputy Attorney General Stacey D. Schesser and Supervising Deputy Attorney General Adam Miller, and defendant Kaiser Foundation Health Plan, Inc. ("Kaiser"), appearing through its attorney John C. Hueston, stipulate as follows:

1. This Court has jurisdiction of the subject matter hereof and the parties to this Stipulation for Entry of Final Judgment and Permanent Injunction ("Stipulation").

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

5 3. Plaintiff and Kaiser (collectively, "the Parties") hereby waive their right to move for a
6 new trial or otherwise seek to set aside the Judgment through any collateral attack, and further
7 waive their right to appeal from the Judgment, except that Plaintiff and Kaiser each agree that this
8 Court shall retain jurisdiction for the purposes specified in paragraph F of the Judgment, as well
9 as for the enforcement of compliance with or punishment of violations of the Judgment.

10 4. The Parties have stipulated and consented to the entry of the Judgment without the
11 taking of proof and without trial or adjudication of any fact or law herein, without the Judgment
12 constituting evidence of or an admission by Kaiser regarding any issue of law or fact alleged in
13 the Complaint on file herein, and without Kaiser admitted any liability regarding allegations of
14 violations that occurred prior to the entry of the Judgment.

15 5. The Parties acknowledge the Attorney General's right to investigate and enforce the
16 injunctive provisions of this Judgment, and agree to meet and confer in an attempt to informally
17 resolve any issues regarding enforcement of the injunctive provisions of this Judgment. Such
18 meet and confer may be in person, by telephone, by videoconference, or any equivalent
19 technology, and shall take place not less than thirty (30) days before Plaintiff takes action to
20 enforce the injunctive provisions of this Judgment, unless the Attorney General in her discretion
21 alone determines that delay would cause harm to the People of the State of California.

22 6. Kaiser will accept service of any Notice of Entry of Judgment entered in this action
23 by delivery of such notice to its counsel of record, and agrees that service of the Notice of Entry
24 of Judgment will be deemed personal service upon it for all purposes.

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

27 ///

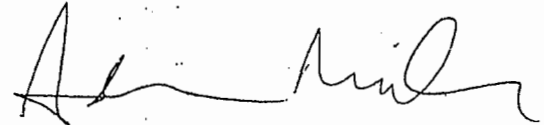
28 ///

January 23, 2014

1 Dated: September , 2013

Respectfully Submitted,

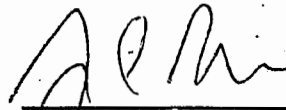
2 KAMALA D. HARRIS
3 Attorney General of California
4 ROBERT M. MORGESTER
5 Senior Assistant Attorney General
6 ADAM MILLER
7 Supervising Deputy Attorney General



8 STACEY D. SCHESSER
9 Deputy Attorney General
10 Attorneys for Plaintiff
11 THE PEOPLE OF THE STATE OF CALIFORNIA

11 Dated: ~~September~~ ^{November} 5, 2013

IRELL & MANELLA LLP



14 JOHN C. HUESTON
15 Attorneys for Defendant
16 KAISER FOUNDATION HEALTH PLAN, INC.

17 Dated: ~~September~~ ^{October} 3, 2013

KAISER FOUNDATION HEALTH PLAN, INC.



20 NAME: DANIEL P. GARCIA
21 TITLE: Chief Compliance Officer
22 KAISER FOUNDATION HEALTH PLAN, INC.

24 THE FOLLOWING IS SO
25 ORDERED

26 2/10/14 

28 SF2012803790
40760842.doc

1

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

IT IS HEREBY ORDERED THAT:

- A. This Court has jurisdiction of the subject matter hereof and the parties hereto.
- B. Venue is proper in this Court.
- C. The injunctive provisions of this Judgment shall apply to defendant Kaiser, as well

as its subsidiaries; its successors and the assigns of all or substantially all of the assets of its businesses; and its directors, officers, employees, agents, independent contractors, partners, associates and representatives of each of them.

D. Under California Business and Professions Code section 17203, Kaiser shall be and hereby is permanently enjoined and restrained from directly or indirectly doing any of the following acts or practices:

(1) Failing to comply with California Civil Code section 1798.82, subdivision (a) by failing to make a timely notification to any current or former Kaiser employee who is a resident in California and whose unencrypted "personal information," as that term is defined in California Civil Code section 1798.82, subdivision (h), was, or is reasonably believed to have been, acquired by an unauthorized person in a "breach of the security of the system," as that term is defined in California Civil Code section 1798.82, subdivision (g).

(2) Failing to provide notification on a rolling basis to any current or former Kaiser employee who is a resident in California and whose unencrypted "personal information," as that term is defined in California Civil Code section 1798.82, subdivision (h), was, or is reasonably believed to have been, acquired by an unauthorized person in a "breach of the security of the system," as that term is defined in California Civil Code section 1798.82, subdivision (g), following discovery of or notification to Kaiser of the breach, where providing notification on a rolling basis is feasible and appropriate. For purposes of this judgment, a "rolling basis" means that Kaiser shall: (i) begin providing notice under California Civil Code section 1798.82, subdivision (j), as soon as reasonably possible after identifying a portion of the total individuals affected by a breach, even if Kaiser's investigation of the breach is ongoing; and (ii) continue to

1 notify individuals as soon as they are identified, throughout and until completion of Kaiser's
2 investigation of the breach.

3 (3) Failing to implement, no later than one hundred twenty (120) days from entry of
4 this Judgment:

5 (a) The development of an additional training program for Kaiser employees
6 regarding the sensitive nature of employment-related personal information.

7 (b) A review of Kaiser policies regarding the encryption of emails that contain
8 sensitive employment-related personal information and a plan to improve those policies where
9 necessary and feasible.

10 (c) An internal audit regarding the extent of employee access to sensitive
11 employment-related personal information.

12 (d) A report, to be provided to Plaintiff's representative Deputy Attorney
13 General Stacey D. Schesser, concerning the result of Kaiser's audit regarding the extent of
14 employee access to sensitive employment-related personal information.

15 E. Under Business and Professions Code section 17206, Kaiser shall pay to the
16 Plaintiff the sum of thirty thousand dollars (\$30,000.00). Kaiser shall also pay one hundred and
17 twenty thousand dollars (\$120,000.00) as attorney's fees and costs for the investigation and
18 prosecution of this matter. Payment shall be made by check payable to the "California Attorney
19 General's Office" and shall be delivered to the California Attorney General's Office, 455 Golden
20 Gate Avenue, Suite 11000, San Francisco, California 94102, attention Deputy Attorney General
21 Stacey D. Schesser no later than thirty (30) days after the date this Judgment is entered.

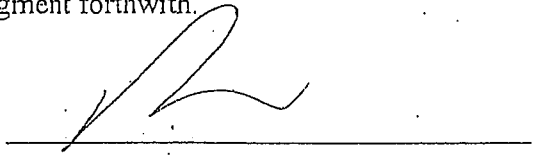
22
23
24
25
26
27
28

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

F. Jurisdiction is retained by the Court for the purpose of enabling any party to the Judgment to apply to the Court at any time for such further orders and directions as may be necessary or appropriate for the construction or the carrying out of this Judgment, for the modification of any of the injunctive provisions hereof, for enforcement of compliance herewith, and for the punishment of violations hereof, if any.

G. The clerk is ordered to enter this Judgment forthwith.

DATED: 2/10/14



JUDGE OF THE SUPERIOR COURT

Robert D. McQuinn

DECLARATION OF SERVICE BY U.S. MAIL

Case Name: *People v. Kaiser Foundation Health Plan, Inc.*

No.: **RG14711370**

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 February 14, 2014, I served the attached

NOTICE OF ENTRY OF JUDGMENT OR ORDER (WITH ATTACHMENT)

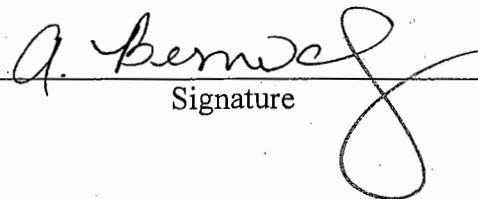
by placing a true copy thereof enclosed in a sealed envelope in the internal mail collection system at the Office of the Attorney General at 455 Golden Gate Avenue, Suite 11000, San Francisco, CA 94102-7004, addressed as follows:

John C. Hueston
Irell & Manella, LLP
840 Newport Center Dr., Suite 400
Newport Beach, CA 92660

Daniel P. Garcia
Kaiser Permanente
1 Kaiser Plaza, 12th Floor
Oakland, CA 94612

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 February 14, 2014, at San Francisco, California.

A. Bermudez
Declarant


Signature