DORSEY™
always ahead

# California Consumer Privacy Act (CCPA)

1. **What is happening?** **New privacy law governing collection, use, and sharing of personal information from California residents that includes massive financial risk for non-compliance. The CCPA includes extensive rights, including rights of access, opt-out, deletion, and anti-discrimination, among others, necessitating profound changes to corporate organization and technological infrastructure.**

2. **Who needs to comply?** **Businesses that collect the personal information of California residents, and additionally either: (a) exceed $25 million in annual gross revenue, or (b) buy, receive, sell, or share (for commercial purposes) the personal information of 50,000 or more consumers, households, or devices per year, or (c) derive at least 50% of their annual revenue through sharing of personal consumer information. The CCPA also applies to entities that control or are controlled by such businesses, and share a common name, service mark, or trademark.**
   a. Businesses without a physical presence in California are not insulated from liability, so long as they are doing business in California. The standard is a lenient one, and the International Association of Privacy Professionals estimates that 500,000 U.S. companies are likely to come under the law's purview.
   b. Importantly, the CCPA embraces both online and offline collection and sharing, and protects the personal information of not only California residents, but also employees of covered businesses.

3. **When will the new law take effect?** **January 1, 2020**

4. **What are the risks in connection with non-compliance?**
   a. Civil penalties of up to $2,500 for each unintentional violation and up to $7,500 for each intentional violation.
   b. In the event of a data breach, private right of action (with potential for class action aggregation) compensable in the statutory amount of $100-$750 per incident, per consumer, or actual damages, whichever is greater.
   c. New bill introduced by the California Attorney General seeks to expand the private right of action to cover all violations of the CCPA.

5. **What are the benefits of complying?** **Freedom from potentially crippling financial penalties, increased attractiveness to business partners, and reputational currency in an age of increasing consumer distrust of covert data collection.**

6. **What do I need to do to comply?** **Compliance will require significant business unit and information technology investment. Businesses will likely need to inventory current data collection, use, and sharing, make software changes to effect required opt-out and opt-in functionality, update privacy policies, and establish procedures to respond to requests for consumer and employee information, among other imperatives.**

7. **What should I do now?** **With class actions with statutory damages available beginning January 1, 2020, we advise focusing on security first. Businesses should assess, strengthen, and document their data security regimes, working to develop written security policies and incident response plans, revise vendor agreements, evaluate insurance coverage, and adopt industry standards and frameworks. Next steps will address the other statutory requirements. With our compliance team of privacy and cybersecurity lawyers, Dorsey stands ready to help.**

## Team Members


**Jamie Nafziger**
**Partner**
Cybersecurity, Privacy & Social Media Practice Group Chair
Licensed only in Minnesota
P +1 (612) 343-7922
nafziger.jamie@dorsey.com

**Divya Gupta**
**Partner**
Licensed only in California, New Jersey and Pennsylvania
P +1 (714) 800-1493
gupta.divya@dorsey.com

**Cody Wamsley**
**Associate**
Licensed only in Arizona, District of Columbia and Minnesota
P +1 (612) 492-6858
wamsley.cody@dorsey.com

**Elizabeth Snyder**
**Associate**
Licensed only in New York
P +1 (612) 492-6844
snyder.elizabeth@dorsey.com

**Samir Islam**
**Associate**
Licensed only in Minnesota
P +1 (612) 492-6185
islam.samir@dorsey.com