

FILED
AT 8:28 O'CLOCK A M.
July 30, 2024
SHERRY GRIFFIS
CLERK DISTRICT COURT
HARRISON COUNTY, TEXAS
BY [Signature]
IN THE DISTRICT

CAUSE NO. 22-0121

THE STATE OF TEXAS,
COURT
Plaintiff,

v.

META PLATFORMS, INC.
f/k/a FACEBOOK, INC.,

Defendant.

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71ST JUDICIAL DISTRICT

HARRISON COUNTY, TEXAS

~~PROPOSED~~ AGREED FINAL JUDGMENT

On this day the Court considered the Parties' Agreed Motion for Entry of Final Judgment. After consideration, the Court finds that the Agreed Motion should be and hereby is **GRANTED** in all respects. The Parties have consented to the entry of this Agreed Final Judgment, and the Court is of the opinion that this Judgment should be entered. This judgment is final, disposes of all the claims and all the parties and is appealable. All relief not expressly granted is denied.

IT IS THEREFORE ORDERED, ADJUDGED, and DECREED THAT BOTH PARTIES SHALL COMPLY WITH ALL OF THE FOLLOWING PROVISIONS OF THE AGREED FINAL JUDGMENT:

I. DEFINITIONS

This Agreed Final Judgment uses the following definitions:

- A. "Action" means the *State of Texas v. Meta Platforms, Inc.*, Cause No. 22-0121, 71st Judicial District, Harrison County Texas.
- B. "Agreed Final Judgment" means an order by the Court dismissing the Action with prejudice and adopting the terms set forth herein as a final judgment.
- C. "Agreement" means the parties' Settlement Agreement and Release, executed on July 29, 2024.

- D. "Biometrics Laws" means CUBI and the TDPSA, including as those laws may be amended after the Effective Date.
- E. "Claims" means all claims, demands, liabilities, rights, causes of action, contracts or agreements, extra-contractual claims, damages, penalties, punitive damages, exemplary damages, multiplied damages, expenses, costs, attorneys' fees, and/or obligations of any kind whether in law or equity that were, could have been, or could be asserted based on the facts alleged in the Action or that otherwise arise out of or concern the collection, analysis, processing, capture, possession, use, sale, lease, disclosure, storage, or treatment of any form of biometric data, biometric identifiers, biometric information, records of face geometry, or data derived from any of the foregoing, including but not limited to any and all claims regarding this collection, analysis, processing, capture, possession, use, sale, lease, disclosure, storage, or treatment under the Texas Capture or Use of Biometric Identifier Act, the Texas Deceptive Trade Practices Act, the Texas Data Privacy and Security Act, the Identity Theft Enforcement and Protection Act, the Data Broker Law, or any other federal law, state law, statutory law, common law, foreign law, or under equity whether fixed or contingent, accrued or not accrued, matured or not yet matured, asserted or unasserted, suspected or unsuspected, and whether or not concealed or hidden.
- F. "Court" means the 71st Judicial District Court of Harrison County, Texas, the Honorable Brad Morin presiding, or any judge who shall succeed him as the judge assigned to the Action.
- G. "CUBI" means the Texas Capture or Use of Biometric Identifier Act, Texas Business and Commerce Code, Chapter 503.001.

- H. “Data Broker Law” means the Data Broker Law, Texas Business and Commerce Code, Chapter 509.
- I. “Days,” when used in this Agreed Final Judgment to specify a deadline or time period by which some event will occur, means the number of calendar days stated, excluding the day that triggers the period, except that if the last day is a Saturday, Sunday, or federal or Texas holiday, the period shall continue to run until the next day that is not a Saturday, Sunday, or federal or Texas holiday. But when a deadline or time period by which some event will occur in this Agreed Final Judgment is stated as a number of “business days,” it shall mean the number of days, excluding the day that triggers the period, that are not a Saturday, Sunday, or federal or Texas holiday.
- J. “DTPA” means the Texas Deceptive Trade Practices Act, Texas Business and Commerce Code, Subchapter E, Chapter 17.
- K. “Effective Date” means the date on which the Court issues this Agreed Final Judgment.
- L. “Identity Theft Enforcement and Protection Act” means the Identity Theft Enforcement and Protection Act, Texas Business and Commerce Code, Chapter 521.
- M. “Installment Date” means the anniversary of the Effective Date, unless the anniversary of the Effective Date falls on a Saturday, Sunday, or Texas or federal holiday, in which case the Installment Date means the next day that is not a Saturday, Sunday, or Texas or federal holiday.
- N. “Meta” means Meta Platforms, Inc., a Delaware corporation, and each of Meta Platforms Inc.’s respective past, present, predecessor, and successor companies, parents, direct and indirect subsidiaries, affiliates, entities, and divisions, and all of their respective officers, directors, members, partners, limited partners, principals, assigns,

representatives, employees, agents, servants, owners, shareholders, insurers, attorneys, and subcontractors when acting on behalf of and in furtherance of their relationship with Meta Platforms, Inc. or any of its past, present, predecessor, and successor companies, parents, direct and indirect subsidiaries, affiliates, entities, and divisions.

- O. "OAG" means the Office of Attorney General of the State of Texas.
- P. "Parties" means the State of Texas and Meta Platforms, Inc., and "Party" means one of the Parties as may be referenced individually.
- Q. "Petition" means the First Amended Petition filed by the State of Texas in the Action.
- R. "State" means collectively the State of Texas, its past, present, and successor officers, agents, entities, divisions, agencies, commissions (including but not limited to the OAG), departments, administrators, employees, attorneys, and legal representatives.
- S. "Taxes" means all federal, state, or local taxes of any kind, including taxes on any income earned through Meta's payments of the Judgment Amount.
- T. "TDPSA" means the Texas Data Privacy and Security Act, Texas Business and Commerce Code, Chapter 541.

II. TERMS

NOW, THEREFORE, THE PARTIES AGREE TO AND IT IS ORDERED, ADJUDGED, AND DECREED that both Parties shall comply with the following provisions:

- A. Meta shall make payment to the State the total sum of \$1,400,000,000.00 (One Billion Four Hundred Million Dollars) (the "Settlement Amount") in full settlement of all Released Claims, as that term is defined below, and as good and valuable consideration for all other promises, covenants, duties, and obligations arising under the Agreement.

1. The State shall be responsible for paying from the Settlement Amount all attorneys' fees, costs, and legal expenses incurred by the State in connection with the Action.
2. No opinion regarding the tax consequences of this settlement to either the State or the State's outside counsel is being given, or will be given, by Meta. Meta shall have no liability or responsibility whatsoever for any Taxes or tax consequences resulting from payments made pursuant to this settlement, including for any Taxes due on attorneys' fees or expenses remitted to the State's outside counsel following Meta's payments of the Settlement Amount as set forth in the Agreement.
3. Meta shall pay the first installment of \$500,000,000.00 within thirty (30) days following the later of (a) the Effective Date of the Agreement, or (b) receipt by Meta of complete wiring instructions, routing instructions, and all other information reasonably required by Meta to make payments of the Settlement Amount ("Payment Instructions") in accordance with the following provisions:
 - (a) Meta shall pay \$225,000,000 to the appropriate fund or account in the state treasury as directed by the OAG for satisfaction of payment by the State of attorney's fees and expenses accrued by outside counsel as set forth in outside counsel's final written statements that have been approved by the OAG in accordance with Texas Government Code sections 2254.104 and 2254.108. If outside counsels' attorneys' fees and expenses as set forth in outside counsels' approved final statements are less than \$225,000,000, the remainder shall be retained

or deposited by the State in the appropriate fund or account in the state treasury as directed by the OAG for payment to the State of Texas's general revenue fund after a full accounting and payment to outside counsel is completed pursuant to Texas Government Code chapter 2254; and

(b) Meta shall pay \$275,000,000 in the appropriate fund or account in the state treasury as directed by the OAG for payment to the State of Texas's general revenue fund.

4. Four remaining installments of \$225,000,000 shall each be paid respectively in 2025, 2026, 2027, and 2028 on the later of (a) the Installment Date, or (b) the thirtieth (30th) day following receipt by Meta of complete Payment Instructions for the installment, in accordance with the following provisions:

(a) Meta shall deposit \$3,000,000 in the appropriate fund or account in the state treasury as directed by the OAG to be payable to the OAG in partial satisfaction of its attorneys' fees accrued in this matter; and

(b) Meta shall deposit \$222,000,000 in the appropriate fund or account in the state treasury as directed by the OAG for payment to the State of Texas's general revenue fund.

B. The Settlement Amount represents the total extent of Meta's payment obligations under the Agreement. In no event, other than as set forth in Paragraph II.C, shall Meta's payment obligation with respect to the Agreement exceed \$1,400,000,000.00 (One Billion Four Hundred Million Dollars). Meta's payment of the final installment of the Settlement Amount in accordance with Paragraph II.A.4 fully discharges Meta's financial obligations in connection with the Parties' settlement, meaning that Meta

shall not have any other obligation to make any payment to any other person or entity under the Agreement.

- C. Each installment payment due under the Agreement shall be made, according to the Payment Instructions provided by the State, by wire transfer no later than 11:59 p.m. (Pacific Daylight Time) on the day that the installment payment is due. In the event Meta fails to make a payment in a timely manner, Meta shall have five (5) business days to remit such payment before the State may seek relief under the Agreement. In the event that a payment due under the Agreement remains delinquent for more than five (5) business days, then in addition to any other remedies or relief that the State may be entitled to seek, Meta shall reimburse the State for lost interest on the payment, and for reasonable fees and costs incurred by the State in securing payment. Interest shall be calculated based on the U.S. prime rate published by the Wall Street Journal on the first of the year that the payment is due, plus one percent.
- D. Meta agrees to submit to the jurisdiction of Texas courts in any proceeding to enforce the Agreement.
- E. Upon entry of this Agreed Final Judgment, the State hereby releases all Claims against Meta based on events that occurred at any time on or before the Effective Date that the State owns or holds, has owned or held, or will own or hold ("Released Claims").
- F. Upon entry of this Agreed Final Judgment, Meta hereby releases all claims, defenses, and counterclaims against the State based on events that occurred at any time on or before the Effective Date relating in any way to this Action that were, could have been, or could be asserted in the Action, whether fixed or contingent, accrued or not accrued, matured or not yet matured, asserted or unasserted, suspected or unsuspected.

G. IT IS FURTHER ORDERED that the Parties undertake the following procedures and obligations following the Effective Date:

1. Meta may provide notice to the OAG of anticipated or ongoing conduct for which Meta seeks to confer with the State regarding the potential application or requirements of a Biometrics Law.

(a) Within 30 days of receipt of the notice, the State shall provide a written response to Meta, substantially in the form of the example set forth in Exhibit A, attached hereto, in which the State may (i) request further information, (ii) object to Meta's conduct, (iii) advise Meta that the State takes no action with respect to Meta's conduct or (iv) advise Meta that the State does not object to Meta's conduct.

(b) If the State requests further information, then the following procedure shall apply:

(i) Meta may provide responsive information within 21 days.

(ii) If Meta provides responsive information, the State has 21 days to object to Meta's conduct, advise Meta that the State takes no action with respect to Meta's conduct, or advise Meta that the State does not object to Meta's conduct. The State's response will be in writing and substantially in the form of the example set forth in Exhibit A, attached hereto.

(c) If the State objects to Meta's conduct, the State must specify the bases on which the State contends Meta's conduct violates each Biometrics Law, based on the information then available to the State.

- (d) If the State advises Meta that the State does not object to Meta's conduct, the State may thereafter raise an objection to such conduct only in the event of a material change in circumstances known to OAG, including but not limited to a change in applicable legal standards, which shall be set forth in detail in the State's notice of objection. Absent such a material change in circumstances, the State shall not bring a civil enforcement action against Meta or seek any other relief or remedies authorized for violations of the Biometrics Laws arising out of or related to the conduct, unless the State establishes that Meta's initial disclosure to the State pursuant to Paragraph II.G.1 was materially false or materially misleading.
- (e) If the State advises Meta that the State takes no action with respect to Meta's conduct, the State may thereafter raise an objection to such conduct by providing written notice to Meta. Such notice must specify
 - (i) the bases on which the State contends Meta's conduct violates each Biometrics Law, based on the information then available to the State, and
 - (ii) the reasons for the State's change in position regarding the conduct.
- (f) If the State objects to Meta's conduct, either initially or as set forth in Paragraph II.G.1.b.ii, Paragraph II.G.1.d, or Paragraph II.G.1.e, then the Parties shall have 60 days to confer and attempt to reach agreement regarding the legality of the conduct at issue, or modifications relating to the conduct that would render it lawful.

- (g) The State may not bring a civil enforcement action against Meta or seek any other relief or remedies authorized for violations of the Biometrics Laws until it has complied with the notice and dispute resolution process set forth in this Paragraph II.G.1. .
- (h) If (1) Meta provides notice to the OAG of its anticipated or ongoing training of models, algorithms, or programs by processing images, video, audio, or other content of individuals, and (2) the State advises Meta (including pursuant to Paragraph II.G.1.a or II.G.b.ii) that the State takes no action with respect to Meta's conduct or that the State does not object to Meta's conduct, then the following provisions shall apply notwithstanding any other provision to the contrary in this Agreed Final Judgment.
 - (i) The State may not subsequently raise an objection to Meta's conduct on the basis that Meta's processing of images, video, audio, or other content during training renders Meta's ongoing use of that model, algorithm, or program unlawful under any Biometrics Law; and
 - (ii) The State shall not bring a civil enforcement action against Meta or seek any other relief or remedies authorized for violations of the Biometrics Laws in which the State asserts claims based on the training process disclosed by Meta, except to the extent (1) the State notifies Meta of an objection, to the extent permitted by Paragraph II.G.1.d or II.G.1.e, as applicable, to Meta's continued implementation of the training

process and (2) the training process continued or occurred after the completion of all pre-litigation notice and dispute resolution procedures required under any applicable provision of this Agreed Final Judgment.

(iii) The limitations in Paragraphs II.G.1.h.i and II.G.1.h.ii shall not apply if the State establishes that Meta's initial disclosure to the State pursuant to Paragraph II.G.1 was materially false or materially misleading.

2. For all other conduct that is not disclosed by Meta pursuant to Paragraph II.G.1, the State shall provide written notice to Meta prior to bringing a civil enforcement action against Meta or seeking any other relief or remedies authorized for violations of the Biometric Laws related to such conduct. The notice must specify the bases on which the State contends Meta's conduct violates each Biometrics Law.

(a) The Parties shall have 60 days to confer and attempt to reach agreement regarding the legality of the conduct at issue, or modifications relating to the conduct that would render it lawful.

(b) The State may not bring a civil enforcement action against Meta or seek any other relief or remedies authorized for violations of the Biometrics Laws until it has complied with the notice and dispute resolution requirements of this Paragraph II.G.2.

3. In any civil enforcement action or proceeding brought by the State against Meta in which the State alleges a violation of one or more Biometrics Laws, no civil penalties, damages, interest on monetary awards, or any other

monetary relief, other than reasonable costs and fees where such costs and fees are authorized by law, shall accrue during the following periods:

- (a) For conduct disclosed by Meta pursuant to Paragraph II.G.1, from the date of Meta's initial notice until 30 days after the completion of all pre-litigation notice and dispute resolution procedures required under any applicable provision of this Agreed Final Judgment. Notwithstanding the foregoing, the tolling period specified in this Paragraph shall not apply in the event the State establishes that Meta's initial disclosure to the State pursuant to Paragraph II.G.1 was materially false or materially misleading.
- (b) For all other conduct, from the earlier of the date that the State provides notice to Meta of its objection pursuant to Paragraph II.G.2 or the date on which the OAG begins investigating the conduct until 30 days after the completion of all pre-litigation notice and dispute resolution procedures required under any applicable provision of this Agreed Final Judgment.
- (c) During any additional periods in which Meta makes commercially reasonable efforts to avoid or cease engaging in the disputed conduct as to individuals known or believed by Meta to be current residents of Texas.

- 4. Meta's provision of notice or information in response to a request from the State shall not be construed as an admission that any Biometrics Law applies to the technology, feature, or conduct at issue, and the notice shall not be

admissible for any purpose other than determining whether the accrual of monetary relief has been tolled in accordance with Paragraph II.G.3, above.

5. If authorized by law, and subject to any restrictions set forth in Paragraphs II.G.1.d or II.G.1.h, the State may seek a preliminary injunction as to Meta's conduct prior to the completion of the dispute resolution processes outlined in this Agreed Final Judgment if the State reasonably determines it necessary to protect citizens of Texas from irreparable harm. In such an action, the State may not recover monetary relief for any alleged violation of the Biometrics Laws, unless and until all pre-litigation notice and dispute resolution procedures required under any applicable provision of this Agreed Final Judgment have been completed, and all provisions set forth in Paragraph II.G.3 limiting the accrual of such monetary relief shall apply.
6. The Parties may agree in writing to extend any of the deadlines or time periods that apply to the procedures and obligations set forth above.
7. All notices and information provided by Meta pursuant to Paragraphs II.G.1 or II.G.2 of this Agreed Final Judgment shall be maintained as confidential, and shall not be disclosed without Meta's written consent except to the extent such disclosure is required by applicable law. Upon receipt by the State of a notice of issuance of a subpoena, discovery request, request made under the Texas Public Information Act, or other request or demand which may create a legal obligation to disclose information or material provided by Meta pursuant to Paragraphs II.G.1 or II.G.2 of this Agreed Final Judgment, the State shall provide written notice to Meta of the request or demand within ten (10) business days and allow Meta a reasonable opportunity, and no less than

ten (10) business days after its receipt of notice in any event, to object to the disclosure in accordance with applicable law. In the event that the State is required to respond to a subpoena, discovery request, request made under the Texas Public Information Act, or other request or demand which may create a legal obligation to disclose information or material provided by Meta pursuant to Paragraphs II.G.1 or II.G.2 of this Agreed Final Judgment in less than ten (10) business days, the State shall make reasonable efforts to provide written notice to Meta as soon as is practicable.

- H. This Agreed Final Judgment is intended to be solely for the benefit of the Parties and persons and entities released herein and, except as stated herein, the Parties do not by this Agreed Final Judgment release any Claims against any other person or entity. No word, term, phrase, or definition in this Agreed Final Judgment is or may be used for the benefit of any person, entity, or litigant who is not a Party or released by this Agreed Final Judgment. There are no third-party beneficiaries to this Agreed Final Judgment, other than those persons and entities who are defined in this Agreed Final Judgment as “Meta” but are not a Party. Each person and entity defined in this Agreed Final Judgment as “Meta” is expressly acknowledged to be a Party or third-party beneficiary of this Agreed Final Judgment (and the releases set forth herein), with the right to fully enforce the same as if such person or entity were a Party.
- I. The Parties hereby agree that this Agreed Final Judgment, and any and all negotiations, documents, and discussions associated with this Agreed Final Judgment shall be without prejudice to any Party’s rights not expressly released herein; that this Agreed Final Judgment shall not be deemed or construed to be an admission or evidence of any violation of any statute or law, of any liability or wrongdoing by Meta or of the

truth or the infirmity of any of the claims or allegations of the State; and that this Agreed Final Judgment, being for the purpose of resolving disputed claims, is not competent or admissible evidence to establish the validity of any of the Claims asserted with respect to the Released Claims, whether in Texas or in any other forum.

- J. This Agreed Final Judgment and any discussion, negotiation, proceeding, or agreement relating thereto, the settlement, and/or any matter arising in connection with settlement discussions or negotiations, proceedings, or agreements, shall not be offered or received against or to the prejudice of the Parties or their respective counsel, for any purpose other than in an action or any proceeding or motion to enforce the terms of this Agreed Final Judgment or exercise any rights thereunder.
- K. The State represents to Meta that no interest in any Claim herein released has been assigned by them to any third party.
- L. Nothing in the terms of the Parties' settlement is a waiver of the State's sovereign immunity. The State acknowledges that sovereign immunity would not bar a proceeding for declaratory or equitable relief to enforce the terms of the Parties' settlement or to enforce this Agreed Final Judgment or any court order or judgment issued in this Action. Further, for the avoidance of doubt, the State acknowledges that this Agreed Final Judgment and any settlement agreement of the parties in this Action may be pled as a full and complete defense to any action, suit, or other proceeding that may be instituted, prosecuted, or attempted by the State contrary to the terms of this Agreed Final Judgment or any settlement agreement of the parties in this Action.
- M. Except as otherwise provided in this Agreed Final Judgment, each Party will bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreed Final Judgment.

- N. This Agreed Final Judgment shall be construed and interpreted to effectuate the Parties' intent, which is to (1) resolve completely the State's Claims, including those related in any manner whatsoever to the Released Claims, and (2) establish a set of agreed-upon pre-litigation notice and dispute resolution procedures, as set forth in this Agreed Final Judgment, to reduce the likelihood of future litigation between the Parties arising under the Biometrics Laws.
- O. None of the Parties to this Agreed Final Judgment shall be considered the drafter of this Agreed Final Judgment or of any included provision for the purpose of any statute, case law, or rule of construction that would or might cause any provision to be construed against the drafter.
- P. Each Party represents that it freely and voluntarily consented to the entry of this Agreed Final Judgment without any degree of duress whatsoever.
- Q. The Parties have relied upon the advice and representation of counsel, selected by themselves, concerning their respective legal rights and liabilities for the claims hereby released. The Parties have read and understand fully this Agreed Final Judgment and have been fully advised as to the legal effect thereof by counsel of their own selection and intend to be legally bound by this Agreed Final Judgment.
- R. Unless otherwise stated in writing subsequent to the Effective Date, all notifications and communications made pursuant to this Agreed Final Judgment shall be submitted to the persons or entities listed below, by email and by correspondence directed to the below addressees:
1. The State, for all purposes:
General.Counsel@oag.texas.gov
Attn.: General Counsel Division
Office of the Attorney General

Mail Code 074
Post Office Box 12548
Austin, Texas 78711-2548

2. Meta, for all purposes:

Scott Tucker
Vice President & Deputy General Counsel
Legal Department
Meta Platforms, Inc.
1 Meta Way
Menlo Park, CA 94025

and

Lauren Goldman
Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166
LGoldman@gibsondunn.com

- S. The Parties have read the Agreed Final Judgment and accept and agree to the provisions contained herein.
- T. The Parties represent and acknowledge that in consenting to this Agreed Final Judgment they are not relying on any promises or representations other than those expressly set forth in this Agreed Final Judgment. The Parties understand, acknowledge, and agree that (1) they have each performed an independent investigation of the allegations of fact and law surrounding this matter; and (2) they each may hereafter discover facts in addition to, or different from, those that they now know or believe to be true with respect to the subject matter of this Agreed Final Judgment. Each of the Parties warrants that it is not relying upon any statement or representation of any agent of the Parties being released hereby, and that each of the Parties is relying on its own judgment. Nevertheless, it is the Parties' intention to resolve their disputes pursuant to the terms of this Agreed Final Judgment and thus,

in furtherance of their intentions, the Agreed Final Judgment shall remain in full force and effect notwithstanding the discovery of any additional facts or law, or changes in law, and the Agreed Final Judgment shall not be subject to rescission or modification by reason of any such discovery or change.

- U. The waiver of any rights conferred by this Agreed Final Judgment shall be effective only if made in writing by the waiving Party. The waiver by any Party of any breach of this Agreed Final Judgment shall not be deemed or construed as a waiver of any other breach, whether prior to, subsequent to, or contemporaneously with such other breach.
- V. Each Party will perform such further acts and will execute and will deliver such further documents as may reasonably be necessary to carry out this Agreed Final Judgment.
- W. Any documents filed in the Action under temporary seal shall be permanently sealed.
- X. For the purposes of Paragraph 15 of the Amended Stipulated Protective Order entered in the Action, the “final disposition of this action” shall be the date on which this Agreed Final Judgment is entered.

IT IS SO ORDERED.

Signed: July 30, 2024.



THE HONORABLE BRAD MORIN

APPROVED AS TO FORM AND SUBSTANCE


A TRUE COPY
of the Original hereof, I certify
Sherry Griffis
District Court Clerk
Harrison County, Texas
By 
Deputy Clerk

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