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## Privacy & Data Security News

# Teen Website Closed, Company Fined, After New Jersey Data Breach

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- *Firm's cyber practices came under scrutiny after data breach attack*
- *Nearly six-figure penalty can be cut by two-thirds if data practices improve*

A California company will shut down its fashion website, accept a nearly six-figure fine, and update its privacy practices to resolve allegations it improperly collected data from children in New Jersey, the state's attorney general said.

Unixiz Inc. agreed to shut down its "i-Dressup" website as part of a consent order to resolve allegations it violated the federal Children's Online Privacy Protection Act (COPPA) and the New Jersey Consumer Fraud Act, Attorney General Gurbir S. Grewal said Aug. 3.

The issues came to light in a state probe after hackers hit the company with a data breach in 2016. State investigators found the company collected personal information from more than 2,500 New Jersey children without parental consent. The data breach compromised 2.2 million accounts, including more than 24,000 accounts of New Jersey residents, according to the consent order.

The Mountain View-based company will pay a civil penalty of \$98,618. About two-thirds of the fine will be suspended and vacated after two years if the company makes changes to the way it acquires and safeguards information, according to the order.

The company's attorneys, Kandi Parsons and Stacey Brandenburg, ZwillGen PLLC, defended its actions in an emailed statement to Bloomberg Law.

Unixiz is a small business that worked diligently to protect its users' information, "including when it was the victim of a third-party attack," the two attorneys said. "In light of these efforts, we were extremely disappointed that the NJ AG chose to pursue action

here, but Unixiz nonetheless worked cooperatively with the Office and is glad to have this matter resolved.”

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