



Netflix promised to flip the script: no ads and safe for children.

In a 2019 shareholder letter, for example, Netflix CEO Reed Hastings promised shareholders and the public they could “be confident” that any suggestion Netflix might be “moving into selling advertising . . . is false.”³ Netflix’s CEO went further in a January 2020 earnings call, assuring the public, “We’re not integrating everybody’s data. We’re not controversial that way.”⁴ Hastings contrasted Netflix to Google, Facebook, and Amazon, noting that those three companies “are just going to integrate incredible amounts of data about everybody that we won’t and we’re not trying to have access to.” And for anyone with lingering doubts about Netflix’s collection of personal data, Hastings doubled down: “*We don’t collect anything*. We’re

³ July 2019 Shareholder Letter, at 5, https://s22.q4cdn.com/959853165/files/doc_financials/quarterly_reports/2019/q2/Q2-19-Shareholder-Letter-FINAL.pdf.

⁴ Netflix, Inc. NasdaqGS:NFLX FQ4 2019 Earnings Call Transcripts, at 14, https://s22.q4cdn.com/959853165/files/doc_financials/2019/q4/Netflix-Inc.-Q4-2019-Earnings-Call-Jan-21-2020.pdf.

really focused on just making our members happy, and we're not tied up with all that controversy around advertising.”

Michael C. Morris
Guggenheim Securities, LLC, Research Division

I do think that that last point is something we do hear people lose sight of sometimes, which is you are not aggregating an immense amount of data about your viewers. You have viewership habits. But beyond that, I think correct me if I'm wrong, you don't collect a significant amount of personal data that will be used to target advertising. Is that accurate?

Wilmot Reed Hastings
Co-Founder, Chairman, President & CEO

We don't collect anything. We're really focused on just making our members happy, and we're not tied up with all that controversy around advertising. And again, if you wanted to succeed in online advertising, you can't just have a little data. To keep up with those giants, you've got to spend very heavily on that and track locations and all kinds of other things that we're not interested in doing. We want to be the safe respite where you can explore, you can get stimulated, have fun, enjoy relax and have none of the controversy around exploiting users with advertising.

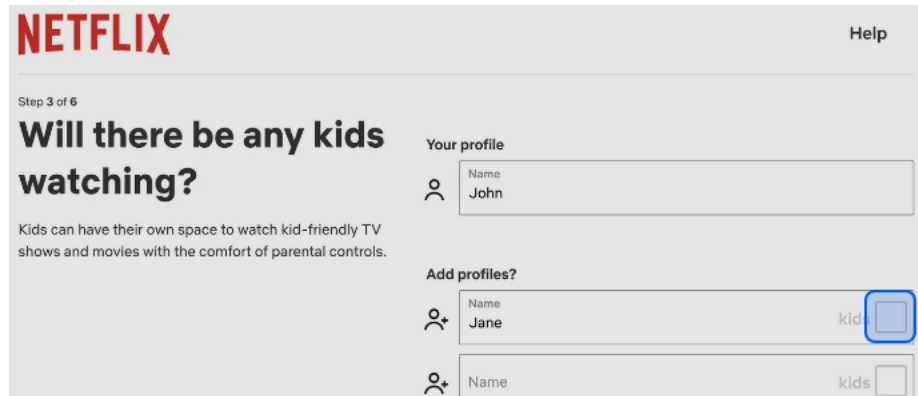
In short, Netflix sold subscriptions to its programming as an escape from Big Tech surveillance: pay monthly, avoid tracking. Texans trusted that bargain. Netflix broke it—constructing the very data-collection system subscribers paid to escape.

Netflix has also long assured parents that Netflix is kid-friendly and that kids profiles are segregated areas designed specifically to protect children. From signup through movie night, Netflix repeatedly pushes parents to create a kids profile—going so far as to advertise during account setup that Netflix is “Great for kids.”⁵

The screenshot shows the Netflix account setup interface. At the top left is the 'NETFLIX' logo in red, and at the top right is a 'Help' link. Below the logo, it says 'Step 2 of 6'. The main heading is 'Who will be watching Netflix?'. Below this heading is a sub-heading 'Your profile' and a text input field with the name 'John' entered. Below that is a section titled 'Add profiles?' with two more text input fields, each with a person icon to its left. The first input field in this section is highlighted with a blue border. At the bottom of the input fields, there is a small '+' icon.

⁵ <https://www.youtube.com/watch?v=78II7y2tkv4>.

As part of setup, Netflix persistently asks parents whether “any kids will be watching” and steers them toward creating a kids profile, which it characterizes as “a safe area” for “kids 12 and under.”⁶



Netflix’s chorus of promises—echoed from the highest levels of the company—that the platform would remain ad-free, that the company does not collect and integrate user data, and that kids profiles are specially designed to protect children resonated with consumers. Taking Netflix at its word, Texans signed up in droves and handed their children the remote.

But behind the scenes, Netflix quietly built a behavioral-surveillance program of staggering scale. At bottom, this program requires getting Texans and their children glued to the screen and then extracting every possible piece of data about them while they are there.

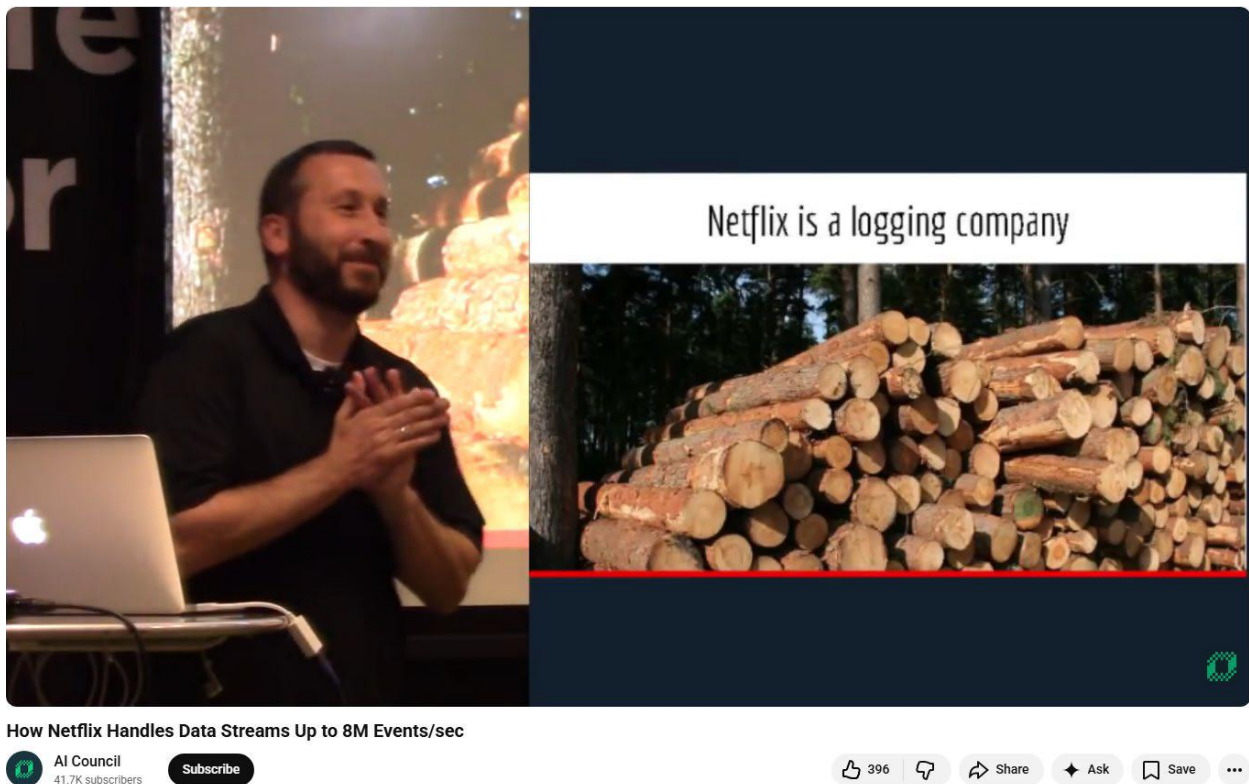
To accomplish the first goal, Netflix deceptively designs its platform to be addictive. Netflix uses dark patterns to do this discreetly. Dark patterns are subtle features engineered to manipulate users to take the actions Netflix wants them to take.

Netflix’s autoplay feature is just one example. Netflix uses autoplay to intentionally strip away the natural breaking points that queue a user to step away from their screen. The feature is

⁶ *Id.*

on by default for every profile—including the kids profiles that Netflix advertises as protected spaces. When one show ends, the next begins automatically—no action required, no pause to decide. Autoplay undermines parents’ control of their children’s screen time. For a busy parent trying to manage a household under pressure, autoplay is a constant vise grip designed to keep her child fixed under Netflix’s microscope. Netflix never told Texans this.

With a platform designed to keep children and families fixed on the screen, Netflix invested in a massive logging operation to record and monetize *billions* of behavioral “events.” To the public, Netflix presents itself as a mere content-streaming service. To Silicon Valley engineers, it is more candid: “We’re really a logging company . . . a logging company that occasionally streams movies. And this is true.”⁷



⁷ Peter Bakas (Netflix engineer), How Netflix Handles Data Streams Up to 8M Events/sec, YouTube (March 8, 2016), <https://www.youtube.com/watch?v=WuRazsX-MBY>.

Netflix built this surveillance machinery to scrutinize how users and their children behave—what they click, how long they linger, what they avoid, when they pause, what draws them in, what they replay or skip, where they are, what devices they use, what other devices are in their home, what other apps they interact with, and much more. Each action is a data point revealing something about the user. This is not simply about deciding what show to queue up next. It is about learning who the users and their children are.

As Dutch regulators have found, Netflix does not disclose the true scale or granularity of this data collection.⁸ Worse yet, Netflix affirmatively misleads parents about how it surveils children by repeatedly representing that it does not engage in behavioral advertising on kids profiles. Citing that assurance, Netflix withholds specific privacy controls from kids profiles altogether.⁹

Netflix's absolute claim that it engages in no behavioral advertising for children is designed to placate parents who know what behavioral advertising means: tracking, profiling, and targeting. But Netflix's assurance is a deception by omission. The full truth is that, even if Netflix does not show children targeted ads yet,¹⁰ Netflix aggressively collects the same behavioral signals on children anyways. Yet parents never receive a meaningful disclosure of that reality.¹¹

Netflix's endgame is simple and lucrative: get children and families glued to the screen, harvest their data while they are stuck there, and then monetize the data for a handsome profit. The

⁸ Since at least 2018, Netflix's disclosures have failed to clearly tell users what Netflix does with their personal data. In 2024, the Dutch Data Protection Authority concluded that Netflix did not give customers sufficient information about what it did with their personal data including in its privacy statement. Dutch regulators also determined that Netflix failed to provide sufficient information when customers asked for their data.

⁹ <https://help.netflix.com/en/node/100624>; <https://help.netflix.com/en/node/100637>; <https://help.netflix.com/en/node/100627>.

¹⁰ Netflix promised for years not to serve *any* ads before it decided it would serve ads.

¹¹ <https://netflixtechblog.com/scalable-logging-and-tracking-882bde0ddca2>; <https://netflixtechblog.com/evolution-of-the-netflix-data-pipeline-da246ca36905>; <https://www.autoriteitpersoonsgegevens.nl/en/current/netflix-fined-for-not-properly-informing-customers>.

results speak for themselves. Between 2018 and 2026, Netflix’s annual revenue climbed from about \$15 billion to over \$50 billion, while paid memberships nearly tripled—from just over 130 million to well beyond 300 million.¹²

Netflix’s explosive financial growth reflects a deliberate choice to cash in on the trust it spent years cultivating under false pretenses. In 2022, Netflix pivoted into digital advertising, leveraging the mountains of data it quietly extracted from the children and families it kept fixated on their screens. In doing so, Netflix joined the very industry—and adopted the same “controversial” practices¹³—that it had always warned was built on harvesting “big data to serve the advertiser.”¹⁴

Indeed, the undisclosed truth is that Netflix is not simply serving an occasional ad. Netflix has opened Texans’ data for inspection by the same Big Ad Tech community it once criticized for exploiting users in this same way. For example, in what Netflix describes as an advertising system built on data collaboration, third-party advertisers can take data they have about a user and match it to the data Netflix has about that user. But Netflix users never signed up for that.

Beyond advertisers, Netflix opens its users’ data to commercial data brokers like Experian and Acxiom—entities entirely unrelated to streaming entertainment. Netflix has also partnered with dominant ad-tech platforms, including Google Display & Video 360 and The Trade Desk, to further enable Netflix user data to be merged with information collected off the platform.¹⁵

¹² <https://finance.yahoo.com/news/netflix-membership-momentum-builds-growth-164400226.html>.

¹³ Netflix, Inc. NasdaqGS:NFLX FQ4 2019 Earnings Call Transcripts, at 14, https://s22.q4cdn.com/959853165/files/doc_financials/2019/q4/Netflix-Inc.-Q4-2019-Earnings-Call-Jan-21-2020.pdf.

¹⁴ Todd Yellin (Netflix VP of Product Development), *How Netflix Implements Big Data Is All about You* | *Big Think*, YouTube (April 1, 2016), <https://www.youtube.com/watch?v=XRv3VJeeM-Q>.

¹⁵ <https://about.netflix.com/en/news/netflix-upfront-2025-the-center-of-attention>; <https://www.adexchanger.com/tv/this-is-netflixs-upfronts-pitch-now-that-its-ad-platform-is-finally-ready/>; <https://digiday.com/marketing/netflixs-ads-boss-on-the-next-phase-and-how-amazon-accelerates-it/>; <https://about.netflix.com/en/news/netflix-third-season-of-ads-and-a-look-ahead-at-whats-next>.

Texans would be shocked to learn how extensively Netflix shops their data across Big Ad Tech’s shadowy networks. But under Texas law, consumers should never be left in the dark—users are entitled to the truth through clear and forthright disclosures. Yet Netflix earns *billions of dollars every year* by quietly deploying the exact playbook it publicly eschewed to lure consumers in the first place. Netflix’s years-long bait-and-switch has led the company right to where it promised never to be: addicting children and families to its platform, mining those users for data, and then converting that data into lucrative intelligence for global advertising juggernauts. Simply put, this is deceptive conduct that violates Texas law.

II. DISCOVERY CONTROL PLAN

1. The discovery in this case is to be conducted under Level 3 pursuant to Texas Rule of Civil Procedure 190.4. This case is not subject to the restrictions of expedited discovery under Texas Rule of Civil Procedure 169 because the State’s claims include a claim for nonmonetary relief and claims for monetary relief, including penalties and attorneys’ fees and costs in excess of \$250,000.

III. PUBLIC INTEREST

2. Plaintiff has reason to believe Defendant has engaged in, and will continue to engage in, the unlawful practices set forth below. Plaintiff has further reason to believe Defendant has caused and will cause adverse effects and damages to persons in Texas, to legitimate business enterprises that lawfully conduct trade and commerce in this state, and to the State of Texas. Therefore, the Consumer Protection Division of the Office of the Attorney General of the State of Texas is of the opinion that these proceedings are in the public interest.

IV. JURISDICTION

3. The Attorney General brings this enforcement action pursuant to the authority granted by Section 17.47 of the Texas Deceptive Trade Practices-Consumer Protection Act, Tex. Bus. & Com. Code Ann. §§ 17.41 *et seq.* (the “DTPA”). The State brings this action on grounds that Netflix has engaged in false, deceptive, or misleading acts and practices in the course of trade and commerce, as defined in, and declared unlawful by, Sections 17.46(a) and (b) of the DTPA. In enforcement suits filed pursuant to Section 17.47, the Attorney General is authorized to seek civil penalties, redress for consumers, and equitable relief.
4. Netflix is a Delaware corporation with its principal place of business in Los Gatos, California.¹⁶
5. Netflix is registered to do business in Texas as a foreign for-profit corporation with the Texas Secretary of State.¹⁷
6. Netflix is subject to specific personal jurisdiction in Texas. Netflix purposefully availed itself of the privilege of conducting business in Texas, and the State’s claims arise from Netflix’s contacts with Texas. The transactions forming the basis of this suit occurred in Collin, Texas, where Netflix does business.
7. Netflix is also subject to general personal jurisdiction in Texas. Netflix registered to transact business in Texas as a foreign corporation with the Texas Secretary of State. Under Texas’s statute, by registering to transact business in Texas, Netflix became subject to the same duties, restrictions, penalties, and liabilities imposed on a domestic

¹⁶ Netflix 2025 10k at 4.

¹⁷ Texas Secretary of State, Filing #800051838 (Netflix, Inc. registered as Foreign For-Profit Corporation). Under *State v. Yelp, Inc.*, No. 15-24-00040-CV, 2025 WL 2936466, at *7 (Tex. App. [15th Dist.] Oct. 16, 2025) (“doing-business pleadings were sufficient to allege that [defendant] is subject to specific jurisdiction under Texas’s long-arm statute.”).

corporation, including amenability to suit in Texas courts. Tex. Bus. Orgs. Code § 9.203. Netflix thereby consented to the exercise of general personal jurisdiction by Texas courts as a condition of its registration to do business in this State. *See Mallory v. Norfolk S. Ry. Co.*, 600 U.S. 122 (2023) (holding that a state statute requiring foreign corporations to consent to general jurisdiction as a condition of registering to do business does not violate the Due Process Clause).

8. Netflix is one of the world’s largest streaming entertainment companies. Netflix provides subscription-based streaming services to hundreds of millions of subscribers worldwide, including millions of subscribers throughout Texas.
9. Netflix derives substantial revenue from Texas consumers. It profits from its Texas subscriber base and has done so for many years. Netflix has paid hundreds of millions of dollars in sales tax to the State of Texas.¹⁸
10. Netflix maintains a permanent physical presence in Texas. Netflix operates a facility known as “Netflix House Dallas,” a more than 100,000-square-foot entertainment venue located at Galleria Dallas in Dallas, Texas.¹⁹ Netflix House Dallas is one of only two such Netflix venues currently in the United States. Netflix uses this venue to promote its streaming service by acting as a physical, three dimensional, experiential billboard that deepens and encourages fan engagement with its popular programming like *Stranger Things* and *Squid Games*. It encourages visitors to experience Netflix content in person, thereby attracting Texas consumers to subscribe to Netflix’s streaming platform.

¹⁸ Report & Recommendation, *Broadband iTV, Inc. v. Netflix, Inc.* (Netflix “paid over \$200 million in sales tax to Texas” between August 2016 and August 2020). Substantial revenue from Texas consumers demonstrates purposeful availment. In *Yelp*, the court emphasized that Yelp “derived revenue from . . . Texas users.” 2025 WL 2936466, at *8.

¹⁹ Netflix About Page, 'Made in Texas: How Netflix House Dallas Is Leaving a Lasting Footprint' (2025). Physical presence strengthens purposeful availment.

11. Netflix employs approximately 300 people at Netflix House Dallas. In addition, approximately 270 local Texas residents worked on the development and construction of this facility.²⁰
12. Netflix also employs remote workers in Texas, including technical specialists who work on Netflix’s streaming infrastructure. Netflix employs technical workers in Texas cities, including Austin.²¹ Netflix actively recruits employees in Texas, maintaining job postings for positions throughout the state.²²
13. Netflix maintains physical computer servers in Texas. Netflix has built its own worldwide network of servers, which it calls “Open Connect,” to deliver streaming content to its subscribers.²³ As part of this system, Netflix provides its own server hardware to Texas internet service providers, who install the hardware in their Texas facilities. This Texas-based hardware stores Netflix movies and television shows in Texas and delivers that content directly to Texans in Texas. Through this Texas-based physical infrastructure, Netflix collects data about Texans, including what content they watch, when they watch it, where they watch it, and how they react to it.²⁴
14. Netflix exercises extensive control over its Texas-based servers. Netflix continuously monitors these servers, updates them remotely, directs their configuration, controls what

²⁰ [Netflix About Page, 'Made in Texas: How Netflix House Dallas Is Leaving a Lasting Footprint' \(2025\).](#)

²¹ Report & Recommendation, *Broadband iTV, Inc. v. Netflix, Inc.* at 27-31 (discussing Netflix employees Brady Walsh and Steve Urban located in Austin, Texas, working on Netflix’s streaming infrastructure). Remote technical employees in Texas support purposeful availment. See *Yelp*, 2025 WL 2936466, at *8 (noting that Yelp “hires and retains remote employees in Texas”).

²² [LinkedIn job postings.](#)

²³ Netflix 2025 10k (“We have architected our software and computer systems so as to utilize data processing, storage capabilities and other services provided by AWS. Currently, we run the vast majority of our computing on AWS.”)

²⁴ Report & Recommendation, *Broadband iTV, Inc. v. Netflix, Inc.* (“Defendant contracts with ISPs and installs OCAs with those ISPs in physical facilities in this District and Defendant retains control of its OCAs “by monitoring, updating, and maintaining the OCA, as well as supplying it with specific video content.”).

content they store, restricts their relocation, and maintains the ability to remotely erase their contents. Netflix refers to these servers as “Netflix servers.”

15. In addition to its own servers, Netflix uses computer systems operated by Amazon (specifically Amazon Web Services) to run its streaming service and process data.²⁵ Amazon operates data centers in Texas. On information and belief, Netflix uses these Texas-based computer systems to collect and process data from and about Texas consumers.
16. Netflix produces and distributes content specifically featuring Texas subjects and designed to attract Texas consumers. It has released programming set in Texas, featuring Texas people, places, and institutions. By producing Texas-focused content, Netflix targets Texas consumers and cultivates its Texas subscriber base.
17. Netflix collects personal information from its Texas subscribers. It tracks Texas consumers’ viewing behavior, including what they watch (genres, specific titles, searches), when and where (time of day, location, device), how they watch (pauses, rewinds, fast-forwards, rewatches, abandonment), and engagement (how much they watch, if they finish, ratings, even screenshots of paused moments). Netflix leverages this rich trove of behavioral data to power its rapidly expanding advertising business.²⁶ As alleged more fully below, Netflix has gathered far more personal information from Texas consumers than it ever disclosed in its privacy policies.

²⁵ Netflix 2025 10k (“We have architected our software and computer systems so as to utilize data processing, storage capabilities and other services provided by AWS. Currently, we run the vast majority of our computing on AWS.”)

²⁶ Netflix’s third-quarter 2025 results demonstrated strong advertising traction, with revenues climbing 17.2% year over year to \$11.51 billion. Netflix reported its strongest advertising quarter to date and confirmed plans to double ad revenues in 2025. <https://finance.yahoo.com/news/netflix-ad-tier-growth-accelerates-160500252.html>.

18. Netflix’s data collection is specifically calibrated to location. It uses Texans’ IP-derived location data, together with demographic attributes and viewing-genre behaviors, to engineer highly granular audience segments and deliver hyper-targeted advertising. Netflix earns significant revenue from these location-based ads. Its data-collection activities are intentionally directed toward Texas, rather than merely being available to Texas users.
19. Netflix offers an advertising-supported subscription plan at a lower monthly price than its ad-free tiers. Netflix derives revenue from advertisements presented to subscribers on this plan.²⁷
20. Netflix purposefully directs tailored advertisements to Texas consumers. It uses the personal information it collects from Texas subscribers—including their location, viewing history, and preferences—to facilitate paid advertisements targeted at those Texas consumers. Netflix thus derives advertising revenue specifically from its Texas subscriber base.
21. The State’s claims arise from Netflix’s Texas contacts. Netflix presented its privacy policy to Texas consumers when those consumers signed up for Netflix’s streaming service in Texas and when those consumers accepted updated terms of use in Texas. Netflix collected personal information from Texas consumers while those consumers used Netflix’s service in Texas. The deceptive privacy disclosures at issue in this case were made to Texas consumers in Texas, and the resulting DTPA violations—the

²⁷ Netflix 2025 10k (stating that Netflix “earns revenue from advertisements presented on its streaming service” and acknowledging members who select “the ad-supported subscription plan”).

collection of personal information based on misleading and deceptive disclosures—
occurred in Texas.

22. Exercising jurisdiction over Netflix comports with traditional notions of fair play and substantial justice. Netflix enjoys substantial benefits and privileges from conducting business in Texas, including access to millions of Texas consumers and hundreds of millions of dollars in revenue. Netflix can reasonably anticipate being called to answer in Texas courts for claims arising from its Texas business activities. Indeed, Netflix has appeared as a party in many lawsuits in Texas state and federal courts and has not found it unduly burdensome to litigate in this State. The State has a strong interest in protecting Texas consumers from deceptive trade practices. There is no undue burden on Netflix—a sophisticated, well-resourced corporation—to litigate in Texas.

V. DEFENDANT

23. Netflix, Inc. is a Delaware corporation with its principal place of business at 121 Albright Way, Los Gatos, California, 95032.
24. Netflix is a technology-driven entertainment company that specializes in streaming content and mobile gaming.
25. Netflix markets, advertises, offers, and provides its products and services throughout the State of Texas, and the number of Texas Netflix users is believed to be in the millions.
26. Netflix generated approximately \$39 billion in global revenue in 2024, with the United States and Canada accounting for approximately 44% of that total. On information and

belief, Texas's proportionate share of U.S. subscribers yields an estimated \$1.5 billion or more in annual revenue to Netflix.²⁸

VI. VENUE

27. Venue of this suit lies in Collin County, Texas, pursuant to section 17.47(b) of the DTPA because Defendant has done business and transacted with individuals and businesses in Collin County and pursuant to section 15.002(a) of the Texas Civil Practice and Remedies Code because all or a substantial part of the events or omissions giving rise to these claims occurred in Collin County, Texas.

VII. ACTS OF AGENTS

28. Whenever in this Petition it is alleged that Defendant did any act, it is meant that Defendant performed or participated in the act or Defendant's officers, agents, or employees performed or participated in the act on behalf of and under the authority of the Defendant.

VIII. TRADE AND COMMERCE

29. Netflix has, at all times described herein, engaged in conduct that constitutes "trade" and "commerce," as those terms are defined in section 17.45(6) of the DTPA.

IX. FACTUAL ALLEGATIONS

A. The Promise: Ad-Free and Kid-Friendly

1. Netflix created the impression that a paid subscription shields users from data-driven advertising.

²⁸ https://s22.q4cdn.com/959853165/files/doc_financials/2024/q3/FINAL-Q3-24-Shareholder-Letter.pdf.

30. Netflix built its success on a simple yet powerful promise: pay a subscription fee and avoid the surveillance-advertising practices that define the rest of Big Tech. Netflix spent years cultivating trust and subscribership on this carefully crafted message.
31. From its earliest days as a streaming platform, Netflix distinguished itself from companies like Google and Facebook—companies that generally offer “free” services while collecting personal data to serve targeted advertising. Netflix told consumers it was different. With other companies, you are the product. With Netflix, a paid subscription eliminates that tradeoff altogether. That was the promise.
32. That promise was not implicit. It was consistent, explicit, and emphatic.
33. At the highest levels of the company, Netflix assured the public that advertising—and the data collection that accompanies it—was fundamentally incompatible with its business model. In 2015, Netflix CEO Reed Hastings publicly declared: “No advertising coming onto Netflix. Period.”²⁹ That was not an errant, one-off statement.
34. In a January 19, 2016 shareholder letter, Hastings confirmed: “[O]ur business model is not dependent on advertising or affiliate fees.”³⁰ During a January 2018 earnings call, Hastings reinforced this distinction as the key basis for consumer trust and loyalty. He told the public that “not having advertising” “is a core differentiator.”³¹ Hastings emphasized, “That’s what our brand is about,” and said Netflix wanted to make its advertising-free model “so popular that consumers are very used to and appreciate Netflix.”³²

²⁹ <https://www.thewrap.com/netflix-ceo-reed-hastings-promises-no-advertising-coming-period/>; <https://www.usatoday.com/story/tech/2015/06/02/netflix-ceo-reed-hastings-no-advertising/28367663/>.

³⁰ Jan. 19, 2016 Shareholder Letter re Q4 2015, at 4.

³¹ Q4 2017 Earnings Call (Jan. 22, 2018), at 13.

³² *Id.*

35. Years later, as speculation persisted, Hastings again assured investors and consumers that Netflix had “no intention of monetizing with ads, ever.”³³
36. Critically, Netflix did more than promise to remain ad-free—it framed that choice as a consumer protection. Hastings described Netflix as a “safe respite” from platforms that “exploit users with advertising,” emphasizing that Netflix is “not tied up with all that controversy.”³⁴ In a 2019 interview, Hastings explained, “We don’t have any advertising, so we don’t sell any data,” and further assured that, “We don’t import any data, so we’re completely secure, isolated.”³⁵ The following year, Hastings reiterated: “We buy no data. We don’t sell any data. We are a complete, isolated data island.”³⁶
37. Through this years-long chorus of promises, Netflix portrayed itself as a company that knew what consumers face from a privacy perspective and offered a normative condemnation of what other companies do with data. In doing so, Netflix sent a clear message: other platforms monetize users; Netflix serves them.
38. That message was central to Netflix’s value proposition. Consumers were not simply purchasing access to content—they were purchasing separation from a system built on surveillance and advertising. Netflix repeatedly contrasted itself with dominant advertising platforms, explaining that companies like Google, Facebook, and Amazon succeed in advertising precisely because they “integrat[e] so much data from so many sources.”³⁷

³³ <https://www.adexchanger.com/online-advertising/reed-hastings-explains-why-netflix-wont-ever-sell-ads/>.

³⁴ *Id.*; <https://www.bgr.com/business/netflix-earnings-call-transcript-ceo-promises-no-ads/>.

³⁵ <https://www.vanityfair.com/news/2019/03/can-netflix-take-over-the-world-without-turning-evil>.

³⁶ <https://www.wired.com/story/reed-hastings-wired25/>.

³⁷ <https://www.bgr.com/business/netflix-earnings-call-transcript-ceo-promises-no-ads/>.

39. Netflix VP of Product Development Todd Yellin reinforced the contrast messaging. In a 2016 interview, for example, Yellin shared that he did not “envy” the individuals working at Google and Facebook because “their jobs are different.”³⁸ At Netflix, Yellin explained, “we have one purpose for this data and that’s to make each individual member’s experience better. There are no advertisers. We’re only subscription.”³⁹ In contrast, Yellin continued, “if you’re at a Google or a Facebook . . . you’re serving two masters—you’re serving the consumer and you’re serving the advertiser.”⁴⁰ Yellin framed this divided loyalty as a conflict.
40. This and other messaging from Netflix’s highest-profile leaders shaped how Texans understood what Netflix is—and what it is not. Netflix cultivated the belief that, because users pay for the service, Netflix has no incentive to track, profile, or monetize them in the same way as advertising-driven platforms. As Hastings put it, Netflix has a “much simpler business model” precisely because it avoided the extensive data collection required to support advertising.⁴¹
2. Netflix created the impression that kids profiles are safe, segregated spaces designed to protect children.
41. Netflix further emphasized its promises in the context of children. Over a series of public posts, for example, Netflix positions itself as the company that keeps “parents in control” while children discover and engage with more content. It highlights a checklist of parental controls (profile locks, title blocks, maturity filters), Kids Top 10 rows, recap emails that

³⁸ Todd Yellin (Netflix VP of Product Development), *How Netflix Implements Big Data Is All about You* | *Big Think*, YouTube (April 1, 2016), <https://www.youtube.com/watch?v=XRv3VJeeM-Q>.

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ <https://www.adexchanger.com/online-advertising/reed-hastings-explains-why-netflix-wont-ever-sell-ads/>.

reveal a child’s top themes, and the Kids “Mystery Box” that encourages children to click and explore “new for you” titles inside the Kids environment. Netflix assures families that the company is “dedicated to creating an engaging and tailored experience to connect kids to the stories that shape their world.”⁴²

42. Netflix has always portrayed kids profiles as segregated and distinct from adult profiles, creating the impression of a digital safe haven. A March 2022 Netflix post noted that kids profiles are “intended for ages 12 *and under*”—representing the product as safe and appropriate for the youngest and most vulnerable Texans.⁴³ Netflix feeds the impression of a segregated and distinct digital space by emphasizing that a kids profile has “a simplified look and feel” with a unique “profile icon so it’s easy to identify.”⁴⁴
43. Since at least 2022, Netflix has also assured Texans that kids profiles aren’t used for interest-based advertising, creating the impression that the company avoids collecting the data needed to target children. The company insists in its Help Center that “no behavioral advertising” occurs on kids profiles and, using that claim, simply withholds the behavioral-ads opt-out entirely.
44. Through these designs and disclosures, Netflix does not merely provide parental controls—it represents that its platform includes a distinct, curated environment designed to protect children, giving Texans reason to believe their children may watch safely.

⁴² <https://about.netflix.com/en/news/family-time-upgrade-new-kid-friendly-features>; <https://about.netflix.com/en/news/surprise-delight-and-discover-your-next-favorite-with-the-new-kids-mystery>.

⁴³ <https://www.netflix.com/tudum/articles/guide-to-netflix-parental-controls>.

⁴⁴ <https://help.netflix.com/en/node/114275>.

45. Against this backdrop, Netflix aggressively encourages parents to establish kids profiles during account setup. From the moment a user begins onboarding, Netflix deploys strategic prompts to this end.
46. For example, Netflix suggests early during account creation that Netflix is “Great for kids.”

The screenshot shows the Netflix account setup interface. At the top left is the 'NETFLIX' logo in red, and at the top right is a 'Help' link. Below the logo, it says 'Step 2 of 6'. The main heading is 'Who will be watching Netflix?' in bold black text. Underneath, a sub-heading reads: 'People living in your home can enjoy recommendations tailored to their tastes and language preferences. Great for kids.' To the right, under the heading 'Your profile', there is a profile card for 'John' with a person icon. Below that, under 'Add profiles?', there are four more profile cards, each with a person icon and a 'Name' input field. The first 'Add profiles?' card is highlighted with a blue border. At the bottom, there is a grey box with the text: 'Only people who live with you may use your account. [Learn more.](#)' and a red 'Next' button.

47. On the following screen, Netflix asks more directly, “Will there be any kids watching”? And Netflix reinforces the impression of a segregated digital space, noting that “Kids can have their own space to watch kid-friendly TV shows and movies.”



48. Netflix’s messaging, design choices, and insistence at setup serve to position kids profiles as safe spaces and nudge parents to create such profiles. The net impression is that kids profiles are insulated from the risks associated with broader digital platforms.
49. That assurance carries particular weight in the context of Netflix’s broader brand identity. Unlike platforms that parents may approach with caution—knowing they are funded by advertising and data collection—Netflix positioned itself as aligned with parental interests. It encouraged parents to hand over the remote with confidence, leveraging the belief that Netflix’s subscription model removed the need for the kinds of practices that raise concerns elsewhere.
50. These representations—about advertising, about data collection, and about the safety of children—were consistent and repeated over years. They were made in shareholder communications, earnings calls, product design, and the everyday user experience. And

they worked. Consumers relied on them. Families invited Netflix into their homes on the understanding that it operated differently from the platforms they had learned to distrust.

51. As the following sections explain, that understanding was not accurate.

B. The Surveillance Backbone: “A logging company that occasionally streams movies.”

1. A paid service that harvests your data anyways.

52. Netflix lured millions of Texans into paid subscriptions on the premise that a paid subscription would protect them from incessant data collection and digital advertising. Netflix built the very thing users paid it not to build.

53. In reality, streaming content is merely a means to Netflix’s true end: studying users. The company uses every possible interface—TV, phone, tablet, console—as a Trojan horse behavioral sensor to log granular “events.” Netflix then feeds those signals into pipelines that power the company’s algorithms and engagement. Netflix’s engineering presentations reveal giant-scale logging and petabyte-per-day data flows—the kind of thing Netflix’s executives said the company had no need to engage in. Yet Texans have never been told the truth about this surveillance scheme.

54. In one 2013 blog post on Netflix’s obscure “Netflix TechBlog,” the company stated, “we would like the various Netflix user interface applications (Smart TVs, tablets, game consoles, etc.) to not only deliver a delightful user experience but also *collect as many user events as possible*.”⁴⁵ That is, Netflix views every TV you watch and every tablet a child holds as a vehicle for data collection.

⁴⁵ <https://netflixtechblog.com/system-architectures-for-personalization-and-recommendation-e081aa94b5d8>.

55. What are “user events”? They are granular datapoints “related to clicks, browsing, viewing, or even the content of the viewport *at any time*.”⁴⁶ They include details like:⁴⁷

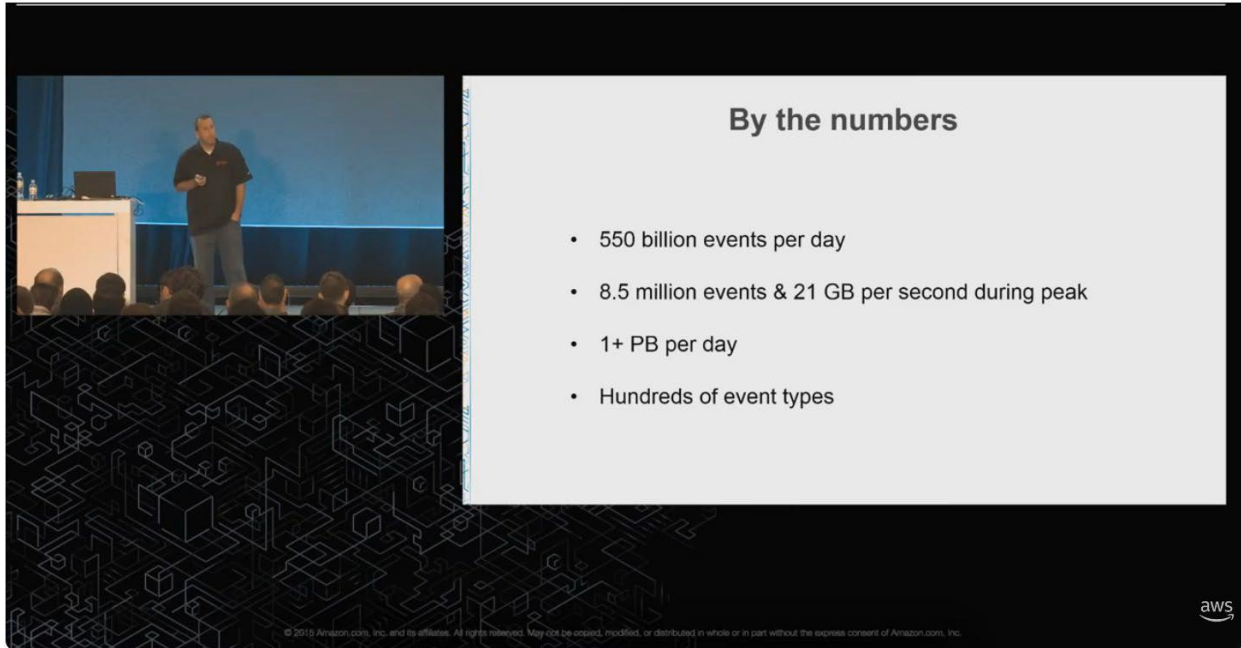
- The day and time a user watched content and what content they watched
- The user’s location
- The device a user is on
- What a user searches, what keywords they use, and how many times they search
- Whether and when a user pauses, rewinds, rewatches or fast-forwards
- Screenshots of when the show was paused, when the user left the show, and when the user watches a scene more than once
- Content abandonment times and rates
- How a user browses and scrolls on their app
- Whether a user finishes an entire show, how long it takes, and how often they abandon shows
- How a user rates specific content

56. Even as early as 2015, Netflix bragged to its San Francisco comrades that the company logs *550 billion events per day*, capturing *hundreds of event types* on an eye-popping scale of over *one petabyte of data per day*.⁴⁸

⁴⁶ *Id.* (emphasis added).

⁴⁷ [https://www.aidataanalytics.network/data-science-ai/articles/data-science-at-netflix-how-advanced-data-analytics-helped-netflix-generate-billions#:~:text=*Image%20sourced%20from%20%22Analytics%20at,based%20on%20its%20recommendation%20system; https://netflixtechblog.com/scalable-logging-and-tracking-882bde0ddca2; https://sclerity.com.au/how-netflix-used-big-data-and-analytics-to-generate-billions/](https://www.aidataanalytics.network/data-science-ai/articles/data-science-at-netflix-how-advanced-data-analytics-helped-netflix-generate-billions#:~:text=*Image%20sourced%20from%20%22Analytics%20at,based%20on%20its%20recommendation%20system;https://netflixtechblog.com/scalable-logging-and-tracking-882bde0ddca2;https://sclerity.com.au/how-netflix-used-big-data-and-analytics-to-generate-billions/).

⁴⁸ AWS re:Invent 2015 | (BDT318) Netflix Handles Data Streams Up to 8 Million Events/Second, YouTube (Oct. 12, 2015), <https://www.youtube.com/watch?v=Kc-7eIfaK04>.



AWS re:Invent 2015 | (BDT318) Netflix Handles Data Streams Up to 8 Million Events/Second



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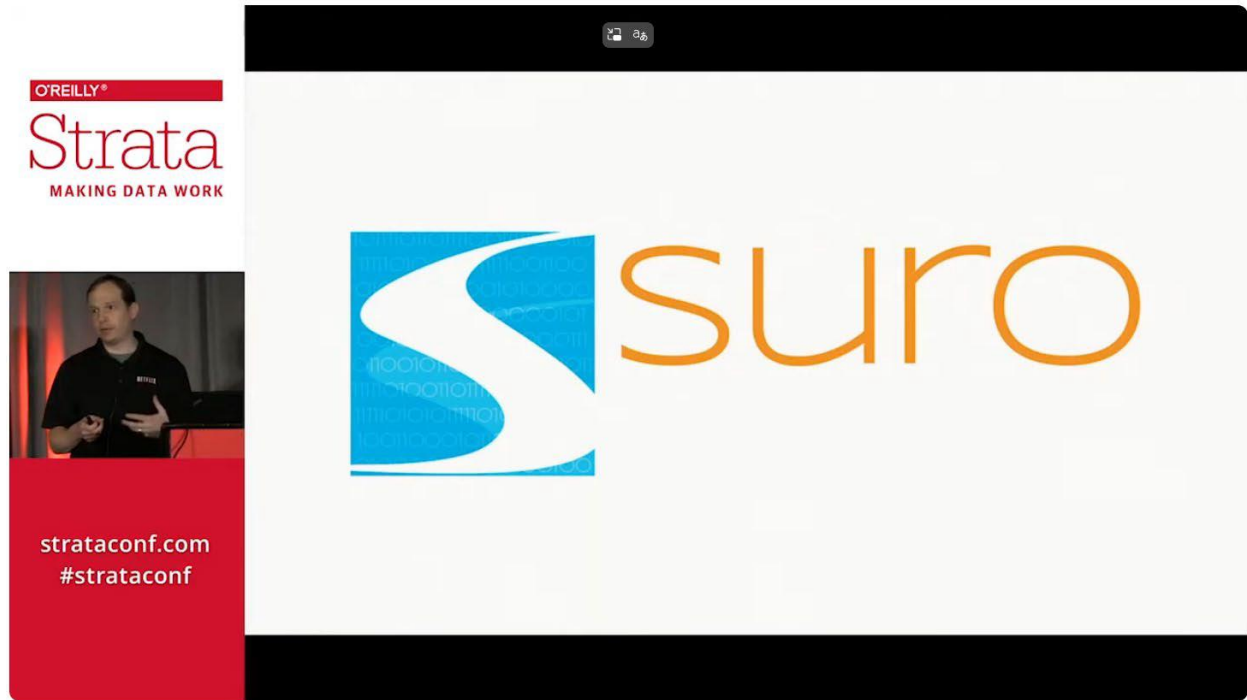


57. For context, one petabyte of data is equal to hundreds of thousands of High-Definition movies.⁴⁹ As far back as 2015, Netflix ingested that volume of data about users *every day*.
58. To accomplish this, Netflix quietly constructed a “massive data pipeline”—which Netflix called Suro in 2014⁵⁰—“for all the events like what is the bitrate that somebody’s getting, or did they hit pause or play, or do they get heartbeat.”⁵¹

⁴⁹ <https://www.actian.com/glossary/what-is-a-petabyte/>.

⁵⁰ Suro is an open-source, distributed data pipeline developed by Netflix to collect, aggregate, and dispatch high-volume application events and log data, handling billions of events daily. It serves as a backend backbone within the NetflixOSS ecosystem.

⁵¹ The Netflix Data Platform – A Recipe for High Business Impact, YouTube (Aug. 22, 2016), <https://www.youtube.com/watch?v=3NN-EaB5uMY>.



The Netflix Data Platform – A Recipe for High Business Impact



59. Netflix’s surveillance machinery has grown more aggressive over the last ten years. At present, working alongside its Big Ad Tech counterparts, Netflix collects roughly 5 petabytes of user-behavior logs per day while processing over 10 million events per second to fuel over 40,000 internal “microservices.”⁵²
60. In fact, a respected venture capital firm CEO, who counts Netflix as a client, recently revealed Netflix collects a staggering *160,000 unique data points every 30 seconds* as you watch content on their platform.⁵³ “I can tell you because they’re a client of mine . . . listen to this because it shocked me when I heard it . . . every 30 seconds when you’re

⁵² <https://clickhouse.com/blog/netflix-petabyte-scale-logging>.

⁵³ Netflix Collects 160K Unique Data Every 30 Seconds, YouTube (Sept. 9, 2024), https://www.youtube.com/shorts/So_gHxlvFD0.

watching Netflix—any program—they are collecting 160,000 unique data points about you.”⁵⁴

61. Netflix’s highly sophisticated data-collection-and-processing infrastructure is an engineering feat of unparalleled scale. But the rationale behind this data empire is straightforward: data trains AI, exposes patterns in consumer behavior, and fuels the engines of Big Ad Tech. Where data flows, revenue follows—and the bigger the data, the bigger the payday.
62. All the granular data Netflix collects is “aggregated to provide base data for our algorithms”—that is, for training Netflix’s proprietary AI.⁵⁵ According to Netflix, “[w]hat may seem an arbitrary action—scrolling up, down, left or right and how much—actually provides us with valuable information.”⁵⁶ Unbeknownst to Texans, Netflix engages in incessant data collection “to create a detailed profile of its subscribers,” and “[t]his profile is far more detailed than the personas created through conventional marketing.”⁵⁷
63. It is astonishing—and unlawful—that Netflix built and deployed a surveillance infrastructure of this scale while assuring users that a paid subscription would eliminate such practices. Yet Netflix treats that surveillance as a joke, taunting users with insights drawn from the private choices they make in their homes.⁵⁸

⁵⁴ *Id.*

⁵⁵ <https://netflixtechblog.com/system-architectures-for-personalization-and-recommendation-e081aa94b5d8>.

⁵⁶ <https://netflixtechblog.com/scalable-logging-and-tracking-882bde0ddca2>.

⁵⁷ <https://selerity.com.au/how-netflix-used-big-data-and-analytics-to-generate-billions/>.

⁵⁸ <https://x.com/netflix/status/940051734650503168?lang=en>; <https://about.netflix.com/en/news/2017-on-netflix-a-year-in-bingeing>.



The one we're still scratching our heads about, the person who watched *Pirates of the Caribbean: The Curse of the Black Pearl* 365 days in a row (streamin' me timbers?). An impressive feat, especially as the average member watched around 60 movies on Netflix this year.

64. But privacy and consent are no joke. And users who catch a glimpse of the Netflix matrix respond intuitively and righteously. For example, users don't appreciate learning that Netflix deceptively uses their personal data to alter the thumbnails they see in an effort to influence private movie selections.⁵⁹



⁵⁹ <https://www.buzzfeednews.com/article/nicolenguyen/netflix-recommendation-algorithm-explained-binge-watching>.



65. Despite its persistent efforts to position itself as a Big Tech outsider, Netflix’s focus is not on privacy or deference to users; it is on turning data into revenue. In short, data is what is best for Netflix. And as Netflix managers say, “a good North Star in general” is to always “act in Netflix’s best interest.”⁶⁰

⁶⁰ The Netflix Data Platform – A Recipe for High Business Impact, YouTube (Aug. 22, 2016), <https://www.youtube.com/watch?v=3NN-EaB5uMY>.



strataconf.com
#strataconf

Netflix Expense Policy

“Act in Netflix’s Best Interest”

The Netflix Data Platform – A Recipe for High Business Impact



66. In plain English, Netflix constantly studies users’ behavior. It also collects information about users’ devices, connections, and account activity. This is not incidental background data. Netflix built an industrial-scale system designed to harvest and process it, even as its executives publicly led consumers to believe that paying for Netflix meant avoiding precisely that kind of surveillance.⁶¹

2. An empire built on false assurances and deceptive disclosures.

67. Netflix has long told its engineers and advertisers the unvarnished truth: it’s a data-logging company. But with Texans who just want to enjoy a show, Netflix deploys strategic ambiguity.

⁶¹ <https://netflixtechblog.com/scalable-logging-and-tracking-882bde0ddca2>; <https://netflixtechblog.com/evolution-of-the-netflix-data-pipeline-da246ca36905>; <https://netflixtechblog.com/lessons-from-building-observability-tools-at-netflix-7cfafed6ab17>.

68. At Silicon Valley meetings, Netflix has described its efforts to treat each device as a behavioral sensor and to transform “every interaction” into a machine-readable event that powers behavioral analysis, experimentation, and measurement. But Netflix’s consumer-facing privacy statements have always relied on broad strokes and abstractions that do not apprise Texans of what Netflix is doing.
69. For example, Netflix’s privacy policies through about January 2020 referenced only meaninglessly vague (and pitifully understated) categories (“information you provide,” “information we collect automatically,” “information from partners”) when discussing what Netflix collects. And Netflix did not disclose until 2020 that it collects data from other devices on a user’s Wi-Fi network and did not disclose that this includes information about a user’s network devices until July of that year.
70. In truth, the updates to the privacy policy in 2020 perpetuated the lack of candor, merely introducing Netflix’s access to generic information like “cookies,” “ad data,” “resettable device identifiers,” and network devices on Wi-Fi. Netflix certainly did not disclose that it continuously logs hundreds, or even thousands, of unique events based on a user’s every play, pause, rewind, abandonment, scroll, search, browse, hover, location, device, and rewatch, to name a few. And it still didn’t disclose cross-device/household stitching⁶²—the very signals Netflix describes in obscure blog posts as essential to its experimentation systems.

⁶² “Cross-device/household stitching” is an advertising and data-tracking practice that links multiple devices (and sometimes multiple users within the same home) into a single identity or household profile, so Netflix can track behavior and target ads seamlessly across screens.

71. By 2022, Netflix acknowledged in its privacy policy the option of an ad-supported plan, and the company introduced high-level terms about behavioral advertising and choices. But it omitted information about the scope of first-party behavioral logging that underpins ad measurement and failed to disclose details on who receives or can model against the data Netflix harvests.
72. It was not until 2024 that Netflix—after an investigation by the Dutch Data Protection Authority (DPA)—finally name-checked items in its privacy policy like “playback events (play, pause),” “app clicks,” “text input,” and “time and duration.” Yet Netflix had *long* collected that granular interaction data without disclosure. And even the meager tweaks Netflix mustered while under investigation in 2024 reflected a continued reluctance to tell users the full story.⁶³
73. By 2025, Netflix again recast its narrative, separating ad-related data processing from its ad-supported tier in a way that signals the practice is more widespread. In other words, the 2025 privacy-policy changes furtively imply—without openly admitting—that Netflix collects and leverages data from non-ad-tier subscribers for advertising, and has likely done so since 2022. Yet Netflix still withholds crucial details about who receives this data, how identities are stitched and enriched, and how household-level projections power its ad-targeting reach.
74. Put plainly, even for those who find their way to Netflix’s privacy policy, the disclosures therein are vague, deceptive, and incomplete. And other regulators agree. The Dutch DPA announced in 2024 that it had found Netflix failed to properly inform customers in the

⁶³ Netflix also did not disclose that they collect information from “choices made when engaging with interactive titles” until 2024, but they collected this information as early as 2018 with the release of *Bandersnatch*.

2018–2020 period about what the company does with personal data and failed to provide sufficient information when customers exercised access rights. Those findings reflect what Texans experienced before, during, and after the investigated timeframe: Netflix quietly describes its practices to peers and buyers but declines to do so when speaking to Texans.

75. Those transparency failures are not trivial. They are the difference between informed consent and manipulation. When a company collects and processes massive streams of behavioral data—and uses that data to fuel measurement and monetization—consumers are entitled to a clear explanation of what is happening and why.
76. Instead, Netflix promised Texans entertainment and delivered surveillance.

3. Netflix misleads parents about kids profiles.

77. After years of presenting kids profiles as safe and digitally segregated spaces for children, a reasonable parent would expect that the surveillance practices described above—already deceptive in their own right—would not apply within those profiles. Netflix has reinforced that expectation with affirmative misrepresentations.
78. Since at least 2022, Netflix has said that kids profiles are not used for interest-based advertising—creating the impression that Netflix does not collect or use the behavioral data needed to target children. But after cultivating the perception of a protected “kids” zone, Netflix tells parents only half the truth.
79. Specifically, Netflix omits the material fact that it collects and analyzes a child’s behavioral interactions through the same surveillance programs it uses for adults. Netflix never discloses that children are subject to the sophisticated telemetry and logging

apparatuses designed for, as Netflix Vice President Max Schmeiser puts it, “generating rich insights.”⁶⁴



80. Netflix’s child surveillance is hidden behind a smokescreen about interest-based advertising. The company insists in its Help Center that “no behavioral advertising” occurs on kids profiles and, using that claim, simply withholds the behavioral-ads opt-out entirely. But Netflix’s disclosure is misleading because behavioral ads don’t happen without behavioral data—and collecting that data is exactly what parents are concerned about when they try to ensure their children aren’t targeted.

81. In other words, Netflix’s disclosures manipulate parents into believing Netflix is not collecting the behavioral data on children needed to build behavioral advertising when it

⁶⁴ Welcome Address for the Data Engineering Open Forum 2024, YouTube (June 19, 2024), <https://www.youtube.com/watch?v=9NnnYHuH8GQ>.

is. This carefully crafted half-truth is designed to neutralize Texas parents’ concerns—*and control*—regarding tracking.

82. Netflix’s kids profile misrepresentations layer on top of the company’s existing omissions, which already keep Texans in the dark about its sweeping behavioral-surveillance systems. Together, these misrepresentation and deceptive disclosures create a misleading net impression about what Netflix does and does not do with children’s data.⁶⁵
83. The consequence is deeply personal: Netflix is positioned to know what children watch, rewatch, abandon, and search—information that can reveal a child’s developmental interests, anxieties, routines, and attention patterns. And Netflix deprives Texas parents of a fair chance to decide whether their child should be subjected to that level of corporate surveillance.
84. Against this backdrop, Netflix’s privacy statements have not given Texas parents clear, meaningful notice that Netflix continuously logs children’s playback-level events (play, pause, rewind, abandonment timestamps), scroll/browse patterns, search queries, device/time/location signals, and other granular telemetry, nor that Netflix retains and analyzes those signals to train algorithms and support household-level advertising measurement. Netflix’s Help Center narrowly assures that it “does not engage in behavioral advertising on a Kids profile” and then withholds opt-outs for that reason. But Netflix omits that it still collects and analyzes children’s behavioral events and measures ad audiences using household estimates from its own first-party research.

⁶⁵ <https://help.netflix.com/en/node/100637>;
<https://help.netflix.com/en/node/100627>.

<https://help.netflix.com/en/node/100624>;

85. Netflix’s scheme is designed to prod parents into allowing their children to watch Netflix, so that Netflix can watch their children. The effect is striking: Netflix can trace a child’s attention and preferences with a precision few parents would ever knowingly surrender. It sees what a child clicks, what they ignore, what they repeat, and how they react.
86. Of course, to make its surveillance possible—and profitable—Netflix must keep children and families engaged. It has built its platform to do exactly that.

C. The Playbook: Addiction, Dark Patterns, and Binge Normalization

87. Netflix got Texans and their children to subscribe by promising a “safe respite” from surveillance and advertising. But once inside the home, Netflix shifted from attracting users to retaining them—engineering its platform to maximize continuous viewing through dark patterns and the normalization of excessive screen use.
88. First, Netflix equips its platform with a suite of features engineered to increase the addictive quality of its product. These features rely on manipulative interface designs that especially exploit children’s reduced self-regulatory capacity and override the decisions of their parents.
89. Netflix’s platform design leverages the brain’s reward circuitry. Addictive behaviors—including compulsive streaming—trigger dopamine release in the brain’s reward pathway. Children and adolescents are especially vulnerable because their prefrontal cortex—the region responsible for impulse control—is still developing and not yet fully connected to the brain’s emotion-processing centers.⁶⁶

⁶⁶ Expert Report of Anna Lembke, M.D., *In Re: Social Media Adolescent Addiction/Personal Injury Prods. Liab. Litig.*, No. 4:22-md-03047-YGR (N.D. Cal. May 16, 2025) (“Lembke Report”) at 12–15.

90. The risk of addiction increases with easier access, greater quantity of exposure, higher potency, more novelty, and more uncertainty.⁶⁷ Netflix’s design amplifies every one of these factors: unlimited on-demand access, autoplay that maximizes quantity, and algorithmically curated content that heightens potency and novelty.
91. Researchers have identified autoplay as the dark pattern most responsible for compromising user agency. Autoplay also increases mindless viewing behavior, particularly as fatigue sets in over prolonged sessions.
92. Autoplay has been shown to have increased detrimental effects on minors by reducing their autonomy and self-regulation.⁶⁸ Netflix enables autoplay by default—even on kids profiles—and strategically buries the setting to disable it. Indeed, Netflix did not add the ability to disable preview autoplay until 2020.⁶⁹ Even still, autoplay remains on by default across all profiles, including kids profiles, and can be hard to deactivate. Enabling autoplay by default on profiles designed for children under 12 subjects the users least equipped to resist to the platform’s most aggressive attention-capture mechanism.
93. Autoplay is a primary driver of binge-watching, which researchers have linked to addiction-like behaviors, detriments to physical health, and decreased mental well-being.⁷⁰
94. Researchers have found that when Netflix users disable autoplay, the users report that the added friction of choosing the next episode makes them more conscious of their viewing

⁶⁷ Lembke Report at 17–20.

⁶⁸ Brennan Schaffner et al. at 4 (citing Hiniker et al. (2018)).

⁶⁹ <https://time.com/5779505/netflix-autoplay-video-disable/>.

⁷⁰ Brennan Schaffner et al. at 4 (citing, *inter alia*, Riddle et al. (2018); Ahmed (2017); Groshek et al. (2018); Spruance et al. (2017)).

and gives them space to make deliberate decisions.⁷¹ Netflix’s default autoplay setting reflects a choice to prioritize engagement metrics over user welfare.

95. Netflix’s default autoplay setting directly contributes to extended viewing by children on the platform, and correspondingly, for the collection of substantially more user data than would otherwise be generated. Researchers have found that autoplay is designed to increase viewing time and sustained engagement—not merely to enhance user convenience.⁷² Netflix’s pivot to advertising underscores that relationship, as longer viewing sessions make platforms more valuable to advertisers.
96. This dynamic is especially acute in households with children, where parents may be unaware that a setting they never affirmatively chose is operating continuously to keep their children locked on the screen.
97. Netflix further amplifies the addictive and attention-capture function of autoplay through the deployment of programmatic promotional content. Netflix users encounter a high number of short-lasting promotional content throughout a Netflix session. The platform’s autoplay feature will frequently play promotional content, especially upon completing a movie or the last episode available for a TV series.
98. High exposure to autoplaced promotional content and the high conversion rate of promotional content leading to actual content work in tandem to increase time spent on the platform. This cycle—where content ends, promotional content autoplays, and then new content begins—operates continuously and without affirmative input from the viewer, including children.

⁷¹ Brennan Schaffner et al. at 15–16.

⁷² Brennan Schaffner et al. at 18.

99. For children, who lack the cognitive and developmental capacity to independently manage engineered persuasion, the consequences are more severe and the mechanism more exploitative. Critically, each minute of extended watching enabled by autoplay and programmatic promotional content is a minute during which Netflix is collecting additional behavioral signals. And as described above, the data Netflix extracts from users during engineered viewing sessions—including behavioral signals on children—are extensive, granular, and commercially valuable. Netflix profits from these extended engagement sessions through retained subscriptions and by monetizing the lucrative behavioral data.⁷³
100. Second, Netflix does not merely induce unhealthy viewing habits through product design. It affirmatively normalizes and celebrates it. In 2016, Netflix publicly announced a “Binge Scale” to classify shows users “devour” versus “savor.”⁷⁴

⁷³ Netflix has further extended its platform’s engagement ecosystem by introducing Netflix Games, a feature that creates additional vectors for child interaction with the platform and, correspondingly, additional data collection. Netflix Games serve to expand the categories of behavioral data Netflix can collect from children and other users into gameplay patterns, in-app behaviors, and interactive session data.

⁷⁴ <https://about.netflix.com/en/news/netflix-binge-new-binge-scale-reveals-tv-series-we-devour-and-those-we-savor-1>.

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Netflix & Binge: New Binge Scale Reveals TV Series We Devour and Those We Savor



101. In this post, Netflix normalized unhealthy bingeing by assuring readers that “Netflix members choose to binge watch their way through a series”—i.e., everyone is doing it. And the company quite literally proclaimed that “binge watching is clearly the new normal.”

102. Netflix escalated this messaging the next year. In 2017, the company published a post titled, “Ready, Set, Binge: More Than 8 Million Viewers ‘Binge Race’ Their Favorite Series.”⁷⁵

⁷⁵ <https://about.netflix.com/en/news/ready-set-binge-more-than-8-million-viewers-binge-race-their-favorite-series>.

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Ready, Set, Binge: More Than 8 Million Viewers 'Binge Race' Their Favorite Series



103. There, the company announced that 8.4 million members had chosen to “Binge Race” their favorite series—meaning they finished an entire season within 24 hours of release—and touted the practice as a growing phenomenon. Reporting on Netflix’s own release, Time noted that Netflix described binge racing as a “sport” for television superfans.⁷⁶
104. Also in 2017, Netflix separately boasted in a post titled, “2017 on Netflix – A Year in Bingeing,” that its users worldwide were watching more than 140 million hours per day.

⁷⁶ <https://time.com/4987446/netflix-binge-racing-shows/>.

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2017 on Netflix - A Year in Bingeing



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105. Netflix reinforced that message through its official social-media presence. In December 2017, Netflix publicly joked: “To the 53 people who’ve watched *A Christmas Prince* every day for the past 18 days: Who hurt you?”⁷⁷ The point of the post was not to discourage obsessive viewing. It was to sensationalize it. Netflix uses its year-end “bingeing” statistics as part of its public-facing brand narrative. In each instance, Netflix treated extreme viewing behavior as exciting, noteworthy, and culturally valuable—not as a practice warranting caution, especially on a platform heavily used by children and families.

⁷⁷ <https://x.com/netflix/status/940051734650503168>.

106. That messaging matters. Research has linked binge-watching to addiction-like symptoms and other negative outcomes, including lack of control, poor sleep, unhealthy diet, and diminished well-being.⁷⁸ Research also finds that social influence helps drive continued binge-watching engagement. Netflix’s own campaigns moved in exactly that direction: they framed rapid, excessive consumption as normal, rewarded, and even prestigious.
107. In other words, Netflix did not just build a platform that made binge-watching easy; it built a brand that told users binge-watching was something to celebrate.

D. The Encore: An Advertising Company After All

108. Netflix amassed the behavioral data necessary to sell targeted advertising by promising the opposite—contrasting itself with data-driven platforms, portraying its product as safe for children, and assuring consumers it would never sell ads. As described, Netflix built the very surveillance infrastructure it condemned and designed a product to keep children and families glued to the screen. Only one promise remained: no ads.

1. Netflix Opens Texans’ Data Up for Inspection by Big Ad Tech.

109. For years, Netflix’s leadership told the world it had “zero interest” in advertising, castigated others for “serving two masters,” and styled itself as the anti-Big Ad Tech refuge. Netflix CEO Reed Hastings touted Netflix as “the safe respite” that wanted “none of the controversy around exploiting users with advertising.”⁷⁹ Hastings called this “a deep part of our brand proposition,” and people believed him.⁸⁰

⁷⁸

<https://www.sciencedirect.com/science/article/pii/S2405844024038799>;
<https://journals.umd.edu.pk/index.php/apr/article/view/5582>; <https://www.mdpi.com/1660-4601/17/12/4469>.

⁷⁹ <https://www.adexchanger.com/online-advertising/reed-hastings-explains-why-netflix-wont-ever-sell-ads/>.

⁸⁰ <https://www.adexchanger.com/tv-2/netflix-flatly-dismisses-ad-rumors/>.

110. But once Netflix had stockpiled user data under those promises, it flipped the script and built an ads business that mirrors everything it once attacked—an identity-driven, partner-linked advertising engine built for cross-platform targeting and precision measurement.
111. Now, Netflix is proud to announce “Enhanced Data Capabilities” with the Netflix Ads Suite, whereby advertisers can “incorporate their first-party data, either through LiveRamp or directly with Netflix, so clients can match data sets for behavioral insights and targeting capabilities against Netflix’s ads audience,” and that Netflix “opened third-party data access to trusted partners like Experian and Acxiom.”⁸¹
112. Netflix also recently announced a clean-room strategy so Netflix and buyers can collaborate “in a private, secure environment on everything from planning and activation to measurement.” In the same breath, Netflix boasted that advertisers can “target more than 100 interests in over 17 categories — *including life stages.*” That’s right—Netflix will now help its partners target you based on intimate personal details like life stage and by tying your “viewing behaviors to consumer brand perceptions.”⁸²
113. That is the value of spending years methodically accumulating billions of user events every day under the false promise to never use the data for ads. And Netflix’s unique ability to combine its high-engagement streaming platform with identity-matching, enrichment, and audience activation features—the DNA of Big Ad Tech—has put it front-and-center for the market that pays.⁸³

⁸¹ <https://about.netflix.com/en/news/netflix-upfront-2025-the-center-of-attention>.

⁸² *Id.*

⁸³ *Id.*

“When you compare us to our competitors, attention starts much higher and ends *much* higher. And even more impressive, members pay as much attention to mid-roll ads as they do to the shows and the movies themselves,” she said.



(Ads on Netflix have 8X higher brand favorability vs. the CTV average, 162% higher sales per impressions vs. the CTV average, and 3x higher purchase intent vs. CTV average.)

114. Netflix has also now opened the programmatic pipes. In 2024, Netflix expanded buying through Google’s Display & Video 360 and The Trade Desk, promising “more optionality” and “advanced targeting,” and in June 2025 added Yahoo DSP globally.⁸⁴ By September 2025, Netflix announced a partnership giving Amazon DSP users direct access to Netflix inventory.⁸⁵

115. Programmatic DSPs⁸⁶ are not mere conduits; they are identity and measurement hubs that let advertisers reach and track audiences across connected TV, apps, and the web. Netflix

⁸⁴ <https://about.netflix.com/en/news/netflix-upfront-2024-the-year-of-growth-and-momentum>; <https://about.netflix.com/en/news/netflix-expands-programmatic-availability-with-yahoo-dsp>.

⁸⁵ <https://about.netflix.com/en/news/amazon-ads-netflix-partner-offer-programmatic-buying-on-netflix-ads-plan>.

⁸⁶ A programmatic DSP (Demand-Side Platform) is software that helps advertisers buy digital ad space across many publishers in real-time, using data to target specific audiences efficiently and at the best price through automated bidding.

does not just “show ads.” It plugs Texans’ viewing-based identity signals into the central switchboard of Big Ad Tech.

116. The heart of this machinery is identity. Netflix allows advertisers to match first-party customer lists to Netflix’s audience via LiveRamp or directly. The Trade Desk—another member of Netflix’s Big Ad Tech cohort—explains how deterministic identifiers (like hashed emails or phone numbers) enable cross-device, cross-channel addressability and measurement across the open internet.⁸⁷

117. Put in straightforward terms, this architecture is built to join data from all corners of the internet. It allows Netflix and its partners to compare notes on you—to join and enrich their data to better target you with ads. And the fact that a Netflix user’s data is now being rummaged through and enriched by Big Ad Tech players whose businesses ostensibly have nothing to do with Netflix is something Texans would not expect from a company that promised it would never “serve two masters.”

118. In short, Netflix has opened Texans’ data to the most powerful data and advertising intermediaries on Earth in an effort to connect and monetize identity and behavioral signals across the web, apps, and connected TV.

2. Netflix’s Misleading Disclosures Hide the Truth About How It Shares User Data.

119. None of this is meaningfully disclosed to consumers. Instead, Netflix’s feeble privacy policy still largely reduces advertising descriptions to interactions with Netflix, general location, and vague behavioral information. Netflix does not disclose who its identity

⁸⁷ <https://unifiedid.com/docs/intro>; <https://www.thetradedesk.com/unified-id-solution-2-0>.

partners are, how matching and enrichment works, what clean-room collaboration entails, which DSPs transact Netflix inventory, or why its reach metric is household-based.

120. Since Netflix launched an ad-supported plan in 2022, its consumer-facing disclosures have continued to speak in evasive generalities while Netflix’s advertiser-facing marketing materials lay out—in concrete terms—the ways Netflix will match, enrich, and activate first-party identifiers against Texans’ viewing behavior.

121. The November 1, 2022 privacy statement, for example, acknowledges ads and high-level ad concepts but does not tell Texans that Netflix enables first-party data onboarding and matching (via LiveRamp or directly with Netflix), opens third-party data access to Experian and Acxiom for enrichment, and collaborates in a clean room for planning, activation, and measurement. Nor does the consumer-facing “Ads on Netflix” page disclose those partners or the identity-joining flows.⁸⁸ It reduces ad selection to interactions with Netflix, general location, and—unless opted out—vague behavioral information from unaffiliated sites and apps while omitting the crucial who/what/how of the Big Ad Tech pipelines Netflix built.

122. By April 17, 2024, Netflix finally added limited examples of the events it collects—“playback events (play, pause),” “app clicks,” “text input,” “time and duration”—but this belated addition still does not tell consumers who gets what, how identifiers are matched and enriched across the Internet, what is done inside a clean room, or how (or for how long) those joined datasets are used for activation and measurement beyond Netflix. These kinds of omissions are material. Texans are entitled to know that Netflix’s ads

⁸⁸ <https://help.netflix.com/en/node/126831>.

business depends on sharing user data with some of the largest data brokers and Big Ad Tech corporations in the world as opposed to merely showing a few commercials chosen by genre and location.

123. By April 2025, Netflix’s privacy statement decoupled ad-related processing from the ad-supported subscription tier, signaling Netflix’s broader use of viewing-based identifiers and events across the service. But Netflix still fails to disclose the facts of identity onboarding (LiveRamp or direct), enrichment (Experian/Acxiom), clean-room collaboration, or the programmatic pipes through which Netflix inventory is bought and measured.
124. Meanwhile, Netflix announced it was expanding programmatic buying opportunities via Google Display & Video 360 and The Trade Desk (2024), Yahoo DSP (June 2025), and Amazon DSP (September 2025), and boasted that advertisers can “target more than 100 interests in over 17 categories — including life stages.” These announcements to the advertising community show that Netflix helps advertisers leverage the data Netflix has collected on its users to target advertisements based on intimate details and insights gleaned from users’ viewing behaviors and preferences. None of this is meaningfully disclosed to Texans in Netflix’s privacy policy or Help Center pages.
125. Netflix also changed how it counts people for ads by adopting Monthly Active Viewers (MAV)—“members who have watched at least 1 minute of ads per month” multiplied by “the estimated average number of people within a household, which we get from Netflix first-party research.” This is a household-level measurement regime derived from first-party viewing. Netflix is explicit about this to advertisers; it never explains this

plainly to Texans, even though household-level modeling is a core feature of how Netflix sells reach and scale into the Big Ad Tech ecosystem.

126. The contrast is the deception. Since 2022, Netflix’s policies and consumer pages have concealed the whole story of identity matching, third-party enrichment, clean-room joining, programmatic trading through DSPs, and household-level metrics grounded in Netflix first-party research. Texans deciding whether to subscribe, whether to remain customers, and whether to allow their children to use the service are entitled to know how their data is collected, analyzed, traded, and monetized.

3. Netflix’s Failed to Disclose Its Dark Patterns and the Addictive Quality of Its Product.

127. Netflix never told Texans that its platform is engineered to be addictive. It never disclosed that autoplay is a dark pattern designed to override conscious decision-making, extend viewing sessions, and eliminate stopping cues. It never warned parents that autoplay is particularly harmful to children.

128. These omissions are strategic. Every additional minute of viewing that autoplay extracts from a user is another minute of behavioral data flowing into Netflix’s logging infrastructure—another play, pause, skip, and rewatch feeding the profiles Netflix builds on each user, including each child. Netflix’s failure to disclose the addictive nature of its platform is inseparable from its failure to disclose the depth of its data collection, because the dark patterns that drive compulsive use are the same features that generate the data Netflix monetizes.

129. Netflix’s concealment of its addictive design is the final piece of the bait-and-switch. Netflix lured Texans with the promise of a simple streaming service—no ads, no data

exploitation, no “serving two masters.” Behind that promise, it built a platform designed to maximize time on screen through manipulative design, hoarded the behavioral data that extended engagement produced, and then opened that data to the Big Ad Tech machine. Netflix never gave Texans a fair chance to understand what they were signing up for, and it never gave Texas parents a fair chance to protect their children from it.

X. CAUSES OF ACTION

VIOLATIONS OF THE TEXAS DECEPTIVE TRADE PRACTICES ACT

130. The State incorporates and adopts by reference the allegations contained in each and every preceding paragraph of this Petition, as if fully set forth herein.
131. The Texas Deceptive Trade Practices Act prohibits all false, misleading, or deceptive acts or practices in the conduct of any trade or commerce.
132. Texas Bus. & Com. Code § 17.47 authorizes the Consumer Protection Division to bring an action for temporary and permanent injunction whenever it has reason to believe that any person is engaged in, has engaged in, or is about to engage in any act or practice declared unlawful under Chapter 17 of the Business and Commerce Code.

Count I: Engaging in false, misleading, or deceptive acts or practices in the conduct of any trade or commerce.

133. Texas Bus. & Com. Code § 17.46(a) prohibits false, misleading, or deceptive acts or practices in the conduct of trade and commerce.
134. As alleged herein and detailed above, Netflix has in the course and conduct of trade and commerce engaged in false, misleading, or deceptive acts or practices declared unlawful by and in violation of Section 17.46(a) and (b) of the DTPA.

Count II: Misrepresentations that paid subscriptions shield users from data-driven advertising

135. Defendant falsely, expressly or by implication, misrepresented that paid subscriptions shield users from data-driven advertising.

136. For years, Netflix’s leadership told the world it had “zero interest” in advertising, castigated others for “serving two masters,” and styled itself as the anti–Big Ad Tech refuge. Netflix CEO Reed Hastings touted Netflix as “the safe respite” that wanted “none of the controversy around exploiting users with advertising.”⁸⁹ Hastings called this “a deep part of our brand proposition,” and people believed him.⁹⁰

137. But once Netflix had stockpiled user data under those promises, it flipped the script and built an ads business that mirrors everything it once attacked—an identity-driven, partner-linked advertising engine built for cross-platform targeting and precision measurement.

138. In misrepresenting that paid subscribers would NOT be subject to data-driven advertising, Defendant violated Section 17.46(a) and (b) of the DTPA.

Count III: Misrepresentations that Netflix does not collect behavioral data from children

139. Defendant falsely, expressly or by implication, misrepresented that kids’ profiles are safe, segregated spaces designed to protect children.

140. After years of presenting kids profiles as safe and digitally segregated spaces for children, a reasonable parent would expect that the surveillance practices described above—

⁸⁹ <https://www.adexchanger.com/online-advertising/reed-hastings-explains-why-netflix-wont-ever-sell-ads/>.

⁹⁰ <https://www.adexchanger.com/tv-2/netflix-flatly-dismisses-ad-rumors/>.

already deceptive in their own right—would not apply within those profiles. Netflix has reinforced that expectation with affirmative misrepresentations.

141. Since at least 2022, Netflix has said that kids profiles are not used for interest-based advertising—creating the impression that Netflix does not collect or use the behavioral data needed to target children. But after cultivating the perception of a protected “kids” zone, Netflix tells parents only half the truth.

142. Specifically, Netflix omits the material fact that it collects and analyzes a child’s behavioral interactions through the same surveillance programs it uses for adults. Netflix never discloses that children are subject to the sophisticated telemetry and logging apparatuses designed for, as Netflix Vice President Max Schmeiser puts it, “generating rich insights.”⁹¹

143. In misrepresenting that children would not be subject to behavioral data collection, Defendant violated Section 17.46(a) and (b) of the DTPA.

Count IV: Misrepresentations regarding how Netflix shares user data

144. Defendant falsely, expressly or by implication, misrepresented how it shares the data it collects from users.

145. Netflix’s feeble privacy policy largely reduces advertising descriptions to interactions with Netflix, general location, and vague behavioral information. Netflix does not disclose who its identity partners are, how matching and enrichment works, what clean-room collaboration entails, which DSPs transact Netflix inventory, or why its reach metric is household-based.

⁹¹ Welcome Address for the Data Engineering Open Forum 2024, YouTube (June 19, 2024), <https://www.youtube.com/watch?v=9NnnYHuH8GQ>.

146. Since Netflix launched an ad-supported plan in 2022, its consumer-facing disclosures have continued to speak in evasive generalities while Netflix’s advertiser-facing marketing materials lay out—in concrete terms—the ways Netflix will match, enrich, and activate first-party identifiers against Texans’ viewing behavior.
147. In misrepresenting how it shares the user data it collects, Defendant violated Section 17.46(a) and (b) of the DTPA.

Count V: Netflix’s deceptive use of dark patterns to addict users

148. Netflix never told Texans that its platform is engineered to be addictive. It never disclosed that autoplay is a dark pattern designed to override conscious decision-making, extend viewing sessions, and eliminate stopping cues. It never warned parents that autoplay is particularly harmful to children.
149. These omissions are strategic. Every additional minute of viewing that autoplay extracts from a user is another minute of behavioral data flowing into Netflix’s logging infrastructure—another play, pause, skip, and rewatch feeding the profiles Netflix builds on each user, including each child. Netflix’s failure to disclose the addictive nature of its platform is inseparable from its failure to disclose the depth of its data collection, because the dark patterns that drive compulsive use are the same features that generate the data Netflix monetizes.
150. In deceptively omitting and purposefully misrepresenting that its platform is safe and not intentionally designed to addict users through the use of dark patterns, Defendant violated Section 17.46(a) and (b) of the DTPA.

XI. CIVIL PENALTIES

151. Texas incorporates the foregoing allegations as if set forth fully herein.
152. Texas is not required to allege injuries to bring claims seeking civil penalties under the DTPA. Tex. Bus. & Com. Code § 17.47(a) (creating a cause of action “[w]henever the consumer protection division has reason to believe that any person is engaging in, has engaged in, or is about to engage in any act or practice declared to be unlawful by [the DTPA] ...”); *see e.g. Holzman v. State*, No. 13-11-00168-CV, 2013 WL 398935, at *3 (Tex. App.—Corpus Christi 2013, pet. denied) (“Moreover, it is not necessary for the State to allege any injury to a [consumer] to recover the civil penalties it seeks in its live petition.”); *see also Texas v. Colony Ridge, Inc.*, Civil Case No. CV-H-24-0941, 2024 WL 4553111, at *8 (S.D. Tex. 2024) (same).
153. Texas is entitled to recover up to \$10,000 for each violation of the DTPA. See Tex. Bus. & Com. Code § 17.47(c)(1).
154. Texas Business & Commerce Code § 17.47(g) provides that “In determining the amount of penalty imposed ... the trier of fact *shall consider*:
- (1) the seriousness of the violation, including the nature, circumstances, extent, and gravity of any prohibited act or practice;
 - (2) the history of previous violations;
 - (3) the amount necessary to deter future violations;
 - (4) the economic effect on the person against whom the penalty is to be assessed;
 - (5) knowledge of the illegality of the act or practice; and
 - (6) any other matter that justice may require.

XII. TEMPORARY RESTRAINING ORDER AND TEMPORARY INJUNCTION

155. Texas incorporates the foregoing allegations as if set forth fully herein.
156. Generally, an applicant for a temporary restraining order or temporary injunction must plead and prove (1) a cause of action against the defendant; (2) a probable right to the relief sought; and (3) a probable, imminent, and irreparable injury in the interim.⁹²
157. However, “[w]hen an applicant relies upon a statutory source for injunctive relief . . . the statute’s express language supersedes the common law injunctive relief elements such as imminent harm or irreparable injury and lack of an adequate remedy at law.”⁹³
158. The Texas Supreme Court has held that “when it is determined that [a] statute is being violated, it is within the province of the district court to restrain it” so “[t]he doctrine of balancing the equities has no application to this statutorily authorized injunctive relief.”⁹⁴
159. Under the DTPA, Texas need only prove the following to obtain a temporary restraining order and temporary injunction against Netflix: (1) that the Attorney General has reason to believe it is engaging in, has engaged in, or is about to engage in any act or practice declared to be unlawful by the DTPA, and (2) that proceedings would be in the public interest.⁹⁵
160. This Court may issue a temporary restraining order with or without notice to the opposing party.⁹⁶

⁹² *Butnaru v. Ford Motor Co.*, 84 S.W.3d 198, 204 (Tex. 2002); *Polston v. State*, No. 03-20-00130-CV, 2022 WL 91974, at *3 (Tex. App.—Austin Jan. 6, 2022, no pet.); *Trove v. Scott*, No. 03-99-00118-CV, 1999 WL 546997, at *1 (Tex. App.—Austin July 29, 1999, no pet.) (not designated for publication); Tex. R. Civ. P. 680.

⁹³ *West v. State*, 212 S.W.3d 513, 519 (Tex. App.—Austin 2006, no pet.); see *White Lion Holdings, L.L.C. v. State*, No. 01-14-00104-CV, 2015 WL 5626564, at *9 (Tex. App.—Houston [1st Dist.] Sept. 24, 2015, pet. denied) (mem. op.).

⁹⁴ *State v. Texas Pet Foods, Inc.*, 591 S.W.2d 800, 805 (Tex.1979).

⁹⁵ *West*, 212 S.W.3d at 518–19; see also Tex. Bus. & Com. Code § 17.47(a).

⁹⁶ See Tex. R. Civ. P. 680-81.

161. Whether to grant a temporary restraining order or temporary injunction rests with a trial court's sound discretion.⁹⁷
162. The Attorney General is charged with pursuing an action for a temporary restraining order, temporary injunction, or permanent injunction to prevent and restrain any violations of DTPA section 17.46(a)–(b).
163. The list of deceptive acts in section 17.46(b) is non-exhaustive and a restraining order is appropriate if Defendants engaged in any “[f]alse, misleading, or deceptive act[] or practice[].”⁹⁸
164. The Attorney General has reason to believe that Netflix is engaging in, has engaged in, or is about to engage in any act or practice declared to be unlawful by the DTPA and that a temporary injunction would be in the public interest. Consequently, this Court should immediately enter a temporary restraining order enjoining Netflix from collecting, sharing, selling, disclosing, using, or other disclosing any data it collects about Texas consumers during the pendency of this suit.
165. The State requests the Court set a hearing for a temporary injunction and that, after notice and hearing, Netflix be temporarily enjoined from continuing the alleged violative conduct detailed herein pending a final trial.
166. The State requests that the Clerk of the court issue such Writs of Injunction pursuant to any injunctive order issued by this Court in conformity with the law, and that the same

⁹⁷ *In re MetroPCS Communications, Inc.*, 391 S.W.3d 329, 336 (Tex. App.—Dallas 2013, no pet.); *Butnaru*, 84 S.W.3d at 204.

⁹⁸ Tex. Bus. & Com. Code § 17.46(a).

be issued and be effective without the execution and filing of a bond, as the State is exempt from such bonds under Texas Business and Commerce Code § 17.47(b).

XIII. TRIAL BY JURY

167. The State demands a trial by jury and tenders the appropriate fee with this petition.

XIV. PRAYER FOR RELIEF

NOW THEREFORE, the State respectfully prays that the Court enter judgment in its favor and order the following:

- a. Finding that Netflix has violated DTPA §§ 17.46(a) and (b) by engaging in the false, misleading, or deceptive acts or practices alleged above;
- b. Requiring Netflix to pay civil penalties of up to \$10,000 per violation of the DTPA as authorized by Tex. Bus. & Com. Code § 17.47(c)(1);
- c. If the act or practice that is the subject of the proceeding was calculated to acquire or deprive money or other property from a consumer who was 65 years of age or older when the act or practice occurred, an additional amount not more than \$250,000 as authorized by § 17.47(c)(2);
- d. Temporary and Permanent injunctive relief enjoining Netflix from engaging in the above acts, practices, and conduct in trade or any other practice in violation of the DTPA, such injunctive relief being authorized by DTPA § 17.47; including but not limited to:
 - 1) Order Netflix to purge all data deceptively collected from Texans;
 - 2) Order Netflix not to use user data for targeted advertising directed at Texans without first obtaining users' express, informed consent;

- 3) Enjoin Netflix from collecting, sharing, selling, using, or disclosing users' data without providing users with a clear and conspicuous notice of Netflix's practices and obtaining users' express, informed consent;
 - 4) Enjoin Netflix from collecting children's behavioral data absent parental consent;
 - 5) Order Netflix to set its autoplay default setting to "off" for all kids profiles; and
 - 6) Enjoin Netflix from clean room data collaboration involving Texas consumers without adequate disclosure.
- e. Order the disgorgement of Defendant's assets, as provided by law and equity;
 - f. Requiring Defendant to pay all attorneys' fees and costs for the prosecution and investigation of this action, as authorized by Tex. Gov't Code Ann. § 402.006(c);
 - g. Order Defendant to pay both pre-judgment and post-judgment interest on all monetary awards as provided by law; and
 - h. The State be awarded any further relief to which it demonstrates entitlement under the law.

Respectfully submitted,

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Attorney General of Texas

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ATTORNEY FOR THE STATE

VERIFICATION

Pursuant to Tex. Civ. Rem. & Prac. Code § 132.001(f), Benjamin Hook submits this unsworn declaration in lieu of a written sworn declaration, verification, certification, oath, or affidavit required by Texas Rule of Civil Procedure 682. I am an employee of the following governmental agency: Texas Office of the Attorney General. I am executing this declaration as part of my assigned duties and responsibilities.

I declare under penalty of perjury that the factual allegations in this motion are true and correct.

Executed in Travis County, State of Texas, on the 11th day of May 2026.

/s/ Benjamin Hook
Benjamin Hook