

	CAUSE NO. _____	
THE STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
<i>Plaintiff,</i>	§	
	§	
v.	§	TARRANT COUNTY, TEXAS
	§	
LG ELECTRONICS U.S.A., INC.	§	
<i>Defendant.</i>	§	____ JUDICIAL DISTRICT

**TEXAS’ ORIGINAL VERIFIED PETITION,
APPLICATION FOR TEMPORARY AND PERMANENT INJUNCTIONS
AND REQUEST FOR AN EX PARTE TEMPORARY INJUNCTION**

LG Smart TVs are watching you back. LG TVs aren’t just entertainment devices—they’re a mass surveillance system sitting in millions of American living rooms. What consumers were told would enhance their viewing experience actually tracks, analyzes, and sells intimate details about everything they watch. Through Automatic Content Recognition (ACR) technology, LG secretly monitors what consumers watch across streaming apps, cable, and even connected devices like gaming consoles or Blu-ray players. This isn’t a glitch or side effect—it’s deliberate. LG harvests this data, builds profiles of consumers’ behavior, and sells it for profit.

Consumers never agreed to LG Watchware. When families buy a television, they don’t expect it to spy on them. They don’t expect their viewing habits packaged and auctioned to advertisers. Yet LG deceptively guides consumers to activate ACR and buries any explanation of what that means in dense legal jargon that few will read or understand. The so-called “consent” LG claims is meaningless. Disclosures are hidden, vague, and misleading. The company collects far more data than necessary to make the TV work. Consumers are stripped of real choice and kept in the dark about what’s happening in their own homes on LG Smart TVs.

LG's mass surveillance of consumers violates Texas law. The Texas Deceptive Trade Practices Act exists to stop exactly this kind of unfair, deceptive conduct. LG chose data extraction and advertising dollars over honesty and respect for consumer privacy. That's illegal. This Christmas morning, tens of thousands of Texans will unwrap a disturbing gift: LG Smart TVs that immediately begin ACR surveillance without their knowledge or consent, adding to the millions already affected by these DTPA violations. Texas families have the right to watch TV without being secretly surveilled or exploited. This lawsuit exists to protect that right.

Texas Attorney General Ken Paxton holds consumer-abusing corporations like LG accountable. Texas Attorney General Ken Paxton, on behalf of the State of Texas, hereby sues Defendant LG ELECTRONICS U.S.A, INC. ("LG") for violating Tex. Bus. & Com. Code § 17.46 (the Texas Deceptive Trade Practices Act or "DTPA").

DEFENDANTS

1. DEFENDANT LG ELECTRONICS U.S.A, INC. ("LG") is a foreign public corporation headquartered in Englewood Cliffs, New Jersey, and incorporated under the laws of New York.

2. LG is the North American subsidiary to LG Electronics, Inc. It specializes in a wide range of digital display and digital media products, digital appliances, and electric vehicle chargers. LG's registered agent for service of process in Texas is United States Corporation Co, 211 E. 7th Street, Suite 620, Austin, TX 78701.

JURISDICTION AND VENUE

3. This action is brought by the Texas Attorney General's Office through its Consumer Protection Division in the name of the State of Texas ("Texas") and in the public interest, pursuant to the authority granted by Section 17.47 of the DTPA.

4. Venue is proper in Tarrant County, Texas, because a substantial part of the events or omission giving rise to Texas's claims occurred in Tarrant County, because LG has done business with retailers and consumers in Tarrant County, because LG unlawfully surveilled consumers who own Smart TVs in Tarrant County, and because LG advertised and sold Smart TVs to consumers at locations in Tarrant County. *See* Tex. Civ. Prac. & Rem. Code § 15.002(a)(1), Tex. Bus. & Com. Code §§ 17.47 and 541.154.

5. Jurisdiction is proper because LG has established minimum contacts in Texas such that maintenance of this suit does not offend traditional notions of fair play and substantial justice, *see Int'l Shoe Co. v. State of Wash., Off. of Unemployment Comp. & Placement*, 326 U.S. 310, 316 (1945), and because LG transacts business in Texas and are therefore subject to Texas' long-arm statute, *see* Tex. Civ. Prac. & Rem. Code §§ 17.001–093.

6. The Court has general jurisdiction over LG because their contacts and affiliations with Texas are so continuous and systematic as to render them essentially at home in Texas. *BMC Software Belg., N.V. v. Marchand*, 83 S.W.3d 789, 797 (Tex. 2002)

7. Alternatively, the Court has specific jurisdiction over LG because it purposefully availed itself of the privileges of conducting activities in Texas and the causes of action in this suit arise out of or relate to LG's contacts in Texas, including the advertising and sale of millions of Smart TVs in Texas and the unlawful ACR surveillance of millions of consumers in Texas. *Luciano v. SprayFoamPolymers.com, LLC*, 625 S.W.3d 1, 9 (Tex. 2021).

8. The Court also has jurisdiction over LG because it consented to personal jurisdiction by registering and transacting business in Texas. *See Mallory v. Norfolk S. Ry. Co.*, 600 U.S. 122 (2023); *see also Acacia Pipeline Corp. v. Champlin Expl., Inc.*, 769 S.W.2d 719, 720 (Tex.

App.—Houston [1st Dist.] 1989, no writ) (“In return for the privilege of doing business in Texas, and enjoying the same rights and privileges as a domestic corporation, Champlin has consented to amenability to jurisdiction for purposes of all lawsuits within the state.”).

DISCOVERY

9. Discovery in this case should be conducted under Level 3 pursuant to Texas Rule of Civil Procedure 190.4. Restrictions concerning expedited discovery under Texas Rule of Civil Procedure 169 do not apply because Texas seeks non-monetary injunctive relief as part of its claims.

10. Additionally, Texas’ claims entitlement to monetary relief in an amount greater than \$1,000,000.00, including civil penalties, reasonable attorney’s fees, litigation expenses, and costs.

FACTS

I. LG’S SPYSCREENS ARE PERVASIVE IN TEXAS

11. LG traces its roots to the partnership between Lucky, originally a cosmetics company, and Goldstar, Korea’s first electronics maker which introduced many of the nation’s earliest breakthrough products and set the stage for the group’s rise in electronics.¹

12. Their combined momentum ultimately led to the unified name “Lucky Goldstar” in 1983, which later evolved into today’s global brand name LG.²

13. Under the marketing theme “Life’s Good,” LG sells a wide range of “digital display and digital media products, digital appliances, and electronic vehicle chargers.”³

¹ *Brand History* (accessed Dec. 9, 2025) [Brand story | LG Global](#).

² *Id.*

³ *Corporate Profile* (accessed Dec. 9, 2025) [Corporate Profile | LG Business US](#).

14. LG's penetration into Texas households is vast, giving it expansive access to viewing habits, application usage, and patterns of life across millions of consumers.

15. Census records show that Texas has roughly 10.7 million households, and industry reach shows that approximately 68% of U.S. households now own a Smart TV.⁴ Applying that ratio to Texas yields an estimated 7.8 million Texas households with Smart TV.

16. LG holds roughly 22% of the U.S. Smart TV installed base, which converts to approximately 2.49 million households across Texas alone.⁵

17. With an average of 2.7 person per household, nearly 6.7 million Texans, more than every one in five Texans likely live in a home monitored by LG Smart TVs.

18. LG is monitoring millions of Texans without their knowledge and informed consent through the Smart TVs.

19. "As part of its strategy to expand . . . LG acquired majority stake of the U.S. advertising/content data analysis specialist, Alphonso, in 2021."⁶

20. Through this major acquisition, in 2013 LG established LG Ad Solutions which is now incorporated as Alphonso Inc.⁷

21. As of late 2024, LG's ad-supported streaming service is available on reportedly 200 million LG TVs worldwide.⁸

⁴ Press Release, *Parks Associates: 68% of US households have a smart TV and 46% have a streaming media player* (Nov. 14, 2024), <https://tinyurl.com/2vpjsrpr>.

⁵ Zacharay Comeau, *Samsung Leads in U.S. Smart TV Ownership* (Accessed Dec. 9, 2025), [Samsung Leads in U.S. Smart TV Ownership - CEPRO](#).

⁶ *LGE, LG Presents Its Vision To Become Media and Entertainment Platform Company*, (accessed Dec. 9, 2025), [LG vision webOS summit .pdf](#).

⁷ *LG Acquires Controlling Stake in TV Data and Measurement Firm Alphonso*, (accessed Dec. 11, 2025), [LG Acquires Controlling Stake in TV Data and Measurement Firm Alphonso | LG Global](#).

⁸ *LGE, LG Presents Its Vision To Become Media and Entertainment Platform Company*, (accessed Dec. 9, 2025), [LG vision webOS summit .pdf](#).

22. This scale grants LG outsized control of Texas’s connected TV market, allowing the company to harvest data on millions of consumers worth billions of dollars—all without their knowledge or consent.

A. ACR Technology.

23. The corporate desire to monitor consumer viewing habits is not new.

24. Since the 1950s, Nielsen’s has *paid consumers* to permit it to track the viewership habits of approximately 42,000 representative households.⁹

25. Consumers tracked by Nielsen’s Ratings have a “people meter” device installed on their television, that they carry around with them which must be manually activated when they start and stop watching a show.¹⁰

26. ACR is different and consumers are not *paid* for their participation.

27. ACR arose in 2011 when Shazam, a company known for pioneering the software algorithm that can identify a piece of music after sampling a few bars, demonstrated that it could do the same thing with TV clips.¹¹

28. ACR has become a multi-billion-dollar global business.¹²

29. In 2017, ACR gained national attention when the FTC and the New Jersey Attorney General fined Vizio \$2.2 million for collecting ACR data on 11 million consumers without their knowledge or consent.¹³

⁹ Bill Shea, *The Ultimate Nielsen FAQ: How we, and they, know how many of you are watching Sports on TV*, NY Times (Mar. 22, 2022), <https://tinyurl.com/w2ma8ypt>.

¹⁰ *Id.*

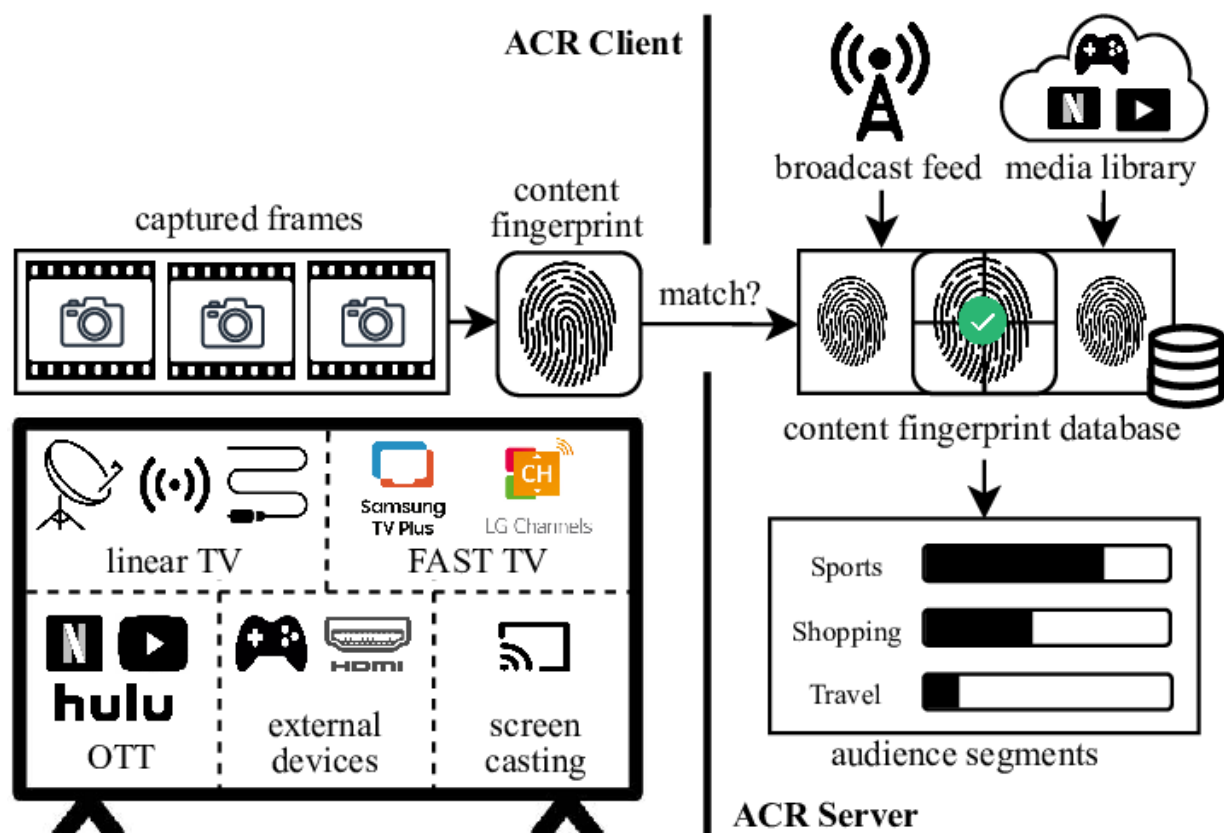
¹¹ Lee Neikirk, *How to Get Your Smart TV to Stop Spying on You*, NY Times (Oct. 6, 2025), <https://tinyurl.com/vvrc7hza>.

¹² *Id.*

¹³ FTC, *VIZIO to Pay \$2.2 Million to FTC, State of New Jersey to Settle Charges It Collected Viewing Histories on 11 Million Smart Televisions without Users’ Consent* (Feb. 6, 2017), <https://tinyurl.com/3s6uf63m>.

30. By 2021, Vizio reported that it had earned more profit from the sale of customer data than from TV sales.¹⁴

31. Generally, ACR works by capturing audio and visual data of what you're watching on TV, captured in hundredths of milliseconds, to build a "fingerprint" of the content and then matches that "fingerprint" with a database of known content. When the fingerprint matches then the ACR server can determine what piece of content is being watched.¹⁵



¹⁴ Adrianna Nine, *Vizio Makes 2x More Selling Ads and Data Than it Does on TVs*, Extreme Tech (Nov. 12, 2021), <https://tinyurl.com/6xnpjy5c>.

¹⁵ Gianluca Anselmi, et al., *Watching TV with the Second-Party: A First Look at Automatic Content Recognition Tracking in Smart TVs* (Sept. 2024), <https://tinyurl.com/3248jceez>.

32. The ACR data collected about consumers is worth as much, or more, than the Smart TVs themselves, which is one reason Smart TVs have become so affordable over the past decade.¹⁶

33. ACR captures everything on your screen, not just TV shows, but also YouTube videos, security or doorbell camera streams, and video or photos you send via Apple AirPlay or Google Cast, and from other devices connected to your TV by HDMI, including personal laptops, video game consoles, and Blu-ray players.¹⁷

34. ACR captures information even when the TV is disconnected from the internet and will share the data collected if the TV ever reconnects to the internet, such as for a firmware updated.¹⁸

35. Nearly three-fourths of U.S. households have a Smart TV with ACR.¹⁹

36. Experts have described ACR as “like someone has installed a camera 24-7 in your living room.”²⁰

II. LG’S MASS SURVEILLANCE ACR PROGRAM

37. LG began incorporating ACR into their devices in 2013.²¹

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ Rachel Cericola, et al., *Yes, Your TV Is Probably Spying on You. Your Fridge, Too. Here’s What They Know*, NY Times (June 25, 2025), <https://tinyurl.com/4wh9cvjk>.

¹⁹ *Id.*

²⁰ *Id.*

38. Initially LG outsourced its ACR operations and partnered with providers such as Cognitive Networks.²²

39. Not long after, LG built its own in-house proprietary ACR and began manufacturing Smart TVs equipped with the spyware.²³

40. LG's ACR monitors consumers by capturing audio and video from the more than 45 million LG Smart TVs²⁴ in the U.S. and saves a "hash" every 10 milliseconds.²⁵

41. LG employs this tracking across all devices connected to the LG Smart TV, capturing raw data about not just the native streaming apps or built-in channels, but also *external inputs* such as cable, satellite, HDMI devices, gaming consoles, even if the Smart TV used simply as a monitor for the laptop.²⁶

42. This creates a detailed log of a household's media consumption from what content was watched, when, and for how long, across all inputs and apps.²⁷

43. LG has a special focus on gamers and how they engage with their game consoles.²⁸

²² *TV ACR – A Brief History, State of Play, and Where Its Going*, (Feb. 22, 2018), [TV ACR – a brief history, state of play and where it's going – TVadSync](#).

²³ *LG Smart TVs Get Global ACR Upgrade, Replacing Legacy Samba TV Technology*, (accessed Dec. 11, 2025), [LG Smart TVs Get Global ACR Upgrade, Replacing Legacy Samba TV Technology | LG Ad Solutions](#)

²⁴ LG Ad Solutions, *Welcome to the Future of TV Advertising*, (accessed Dec. 9, 2025), [LG Ad Solutions – Advanced TV & Cross-Device Advertising Platform](#).

²⁵ Roland Freist, *Samsung and LG Smart TVs Are Watching You. Here's How To Stop It*, (Sept. 25, 2025), [Samsung and LG Smart TVs are watching you. Here's how to stop it | PCWorld](#)

²⁶ *Connect external video devices and switch input sources on a LG Smart TV*, LG (Jan. 17, 2025), <https://tinyurl.com/3kseysjh>.

²⁷ *LG Ads Europe—Holding Statement and FAQ*, LG Ads (Mar. 25, 2020), <https://tinyurl.com/3825nj2x>.

²⁸ LG Ads, *Gaming Meetings the Big Screen: New LG Reports Show TV Ads as Key Drivers Of Gaming Purchases*, (Dec. 2024), [Gaming Meets the Big Screen: New LG Report Shows TV Ads as Key Drivers of Gaming Purchases | LG Ad Solutions](#).

The study highlights the indispensable role of television in the gaming experience and purchasing behavior:

- **81% of gamers** have upgraded their TVs to enhance gameplay.
- **85%** value TVs with cloud gaming capabilities.
- **80%** agree that TV ads influence their decisions to buy video games, and 81% are more likely to purchase games they see advertised on TV.
- **85%** like the idea of seeing video game recommendations on their TV Home Screen.

Figure 1 LG Ad Solutions press release

44. Furthermore, because ACR, metadata, and identifiers combine, the collected data becomes more than just “what show a consumer watched.”²⁹

45. ACR captures or infers highly personal attributes pertaining to consumers’ race, sex, or religious and political beliefs, all of which fall under sensitive personal data categories under Texas’ state privacy law and nearly every other privacy regime both nationally and internationally.

46. LG Ad Solutions’ partnership with Hightouch “empowers media and marketing teams sync their first-party audiences directly to LG Ad Solutions, unlocking precising targeting and suppression capabilities for direct CTV campaigns.”³⁰

47. This allows LG Ad Solutions to build profiles on consumers based on what genre³¹, when, how often, and what ads Consumers see³². This yields “household-level content viewership” that is used for advertising.³³

²⁹ *Campaign Exposure*, LG DSP Help Center (Nov. 30, 2025), <https://tinyurl.com/h8983smy>.

³⁰ Ian Maier, *Introducing Hightouch’s integration with LG Ad Solutions*, (Jan. 4, 2025), [Introducing Hightouch’s integration with LG Ad Solutions | Hightouch](https://tinyurl.com/3ztzcfac).

³¹ *App Launch*, LG DSP Help Center (July 1, 2024), <https://tinyurl.com/3ztzcfac>.

³² *Linear Ads*, LG DSP Help Center (Sept. 28, 2023), <https://tinyurl.com/e7sx5b85>.

³³ *Id.*

Key benefits

- **Precise first-party targeting and suppression:** Build custom audiences using a visual audience builder that has direct access to the data already in your data warehouse. Onboard audiences to LG Ad Solutions to target specific households or suppress active customers from your campaigns.
- **Premium inventory & engaging experiences:** Access guaranteed premium placements and uniquely captivating native ad formats to engage viewers on the biggest screen in the home.
- **Expanded audience reach:** Reach and suppress your targeted audiences across over 40M LG Smart TVs and 300M additional addressable devices in the US. Use Hightouch's [Match Booster](#) product to translate emails, phones, and Mobile Ad IDs into household LG devices for increased reach and impact.
- **Direct insight into incremental reach over linear, tune-in, attribution, and direct feedback loops with third-party measurement partners:** Use LG Ad Solutions' trusted Automated Content Recognition (ACR) data to understand who is viewing your ads, tuning into your shows, and converting into paid customers.
- **No additional CPM fees:** Unlike traditional data onboarding solutions, Hightouch does not charge advertisers additional add-on or CPM fees for advertisers or agencies to target first-party audiences with LG Ad Solutions. Advertisers and agencies can reliably reduce campaign costs by 8-10% with Hightouch.

Advertisers in industries like media and entertainment, sports, broadcasting, financial services, healthcare, pharma, and auto can particularly benefit from this integration, driving better CTV outcomes while increasing campaign velocity and decreasing CPM fees.

Figure 2 Hightouch integration with LG Ad Solution press release

48. LG's consumer profiles include cross-device or cross-screen linkage, meaning that data collected from Smart TVs is correlated with other online activity and smart devices to facilitate cross-device ad targeting and tracking.³⁴

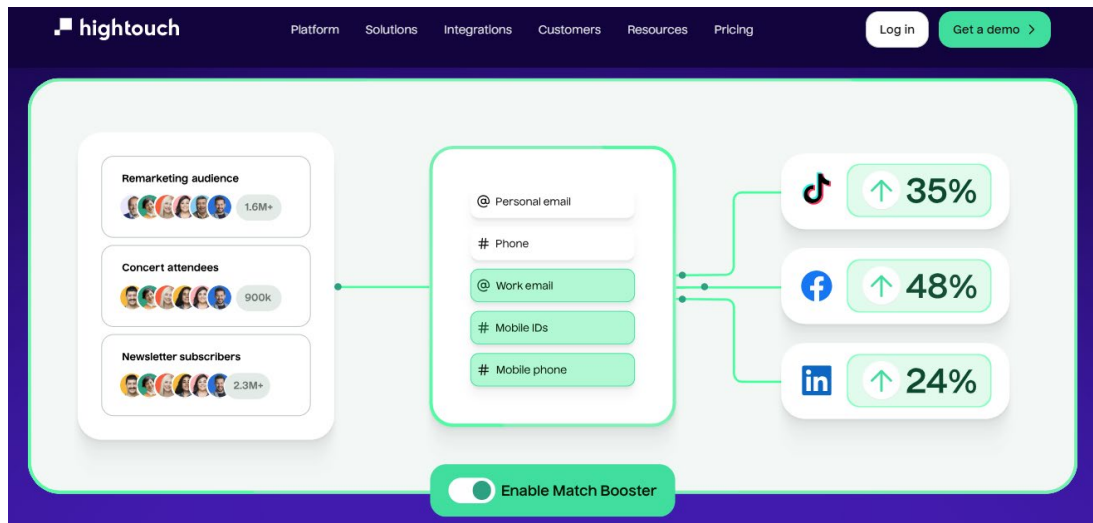


Figure 3 Hightouch Match Booster homepage

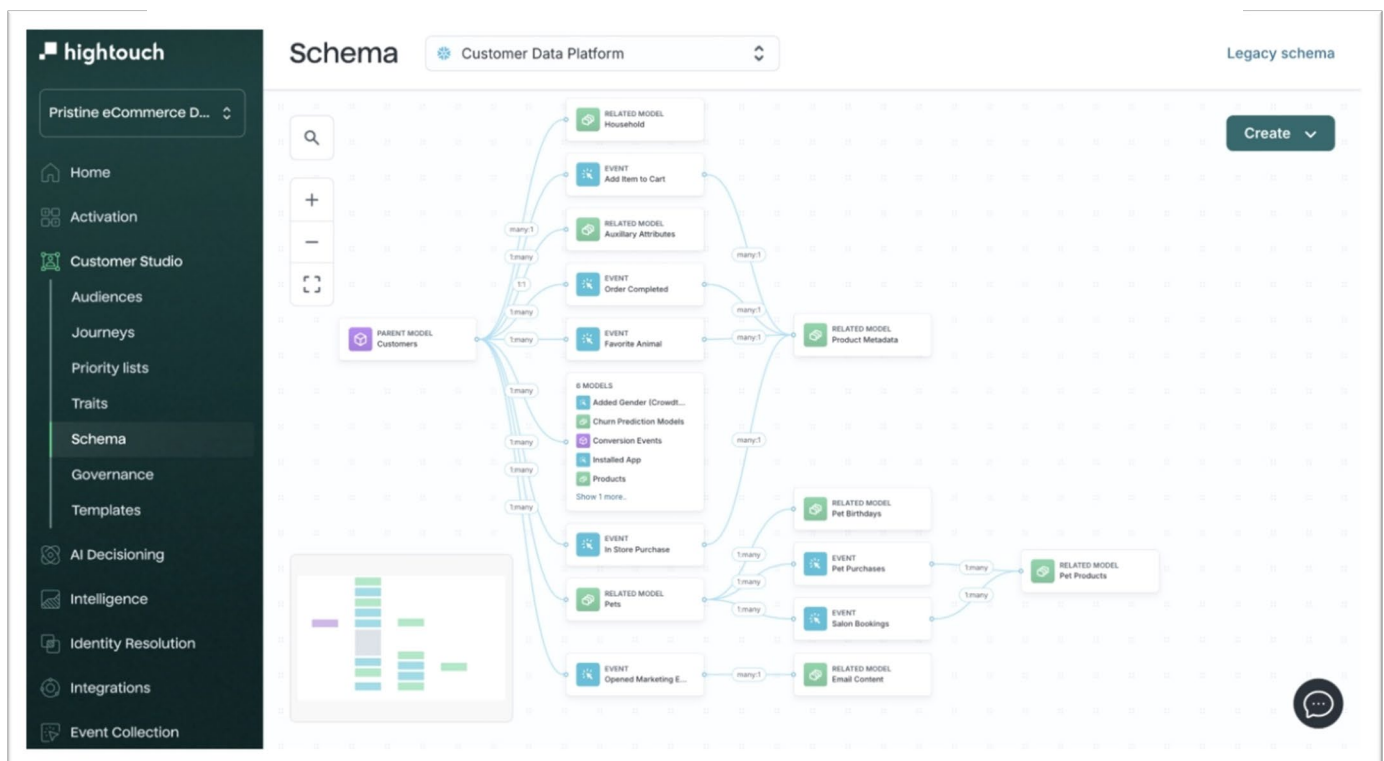


Figure 4 LG Ad Solutions schema via Hightouch Docs

³⁴ *LG Ad Solutions*, (accessed Dec. 11, 2025), [LG Ad Solutions – Advanced TV & Cross-Device Advertising Platform](#).

49. LG's ACR data collection, when combined with identifiers, metadata, and network information, becomes a powerful tool for profiling, targeting, and behavioral tracking, often without informed consent.

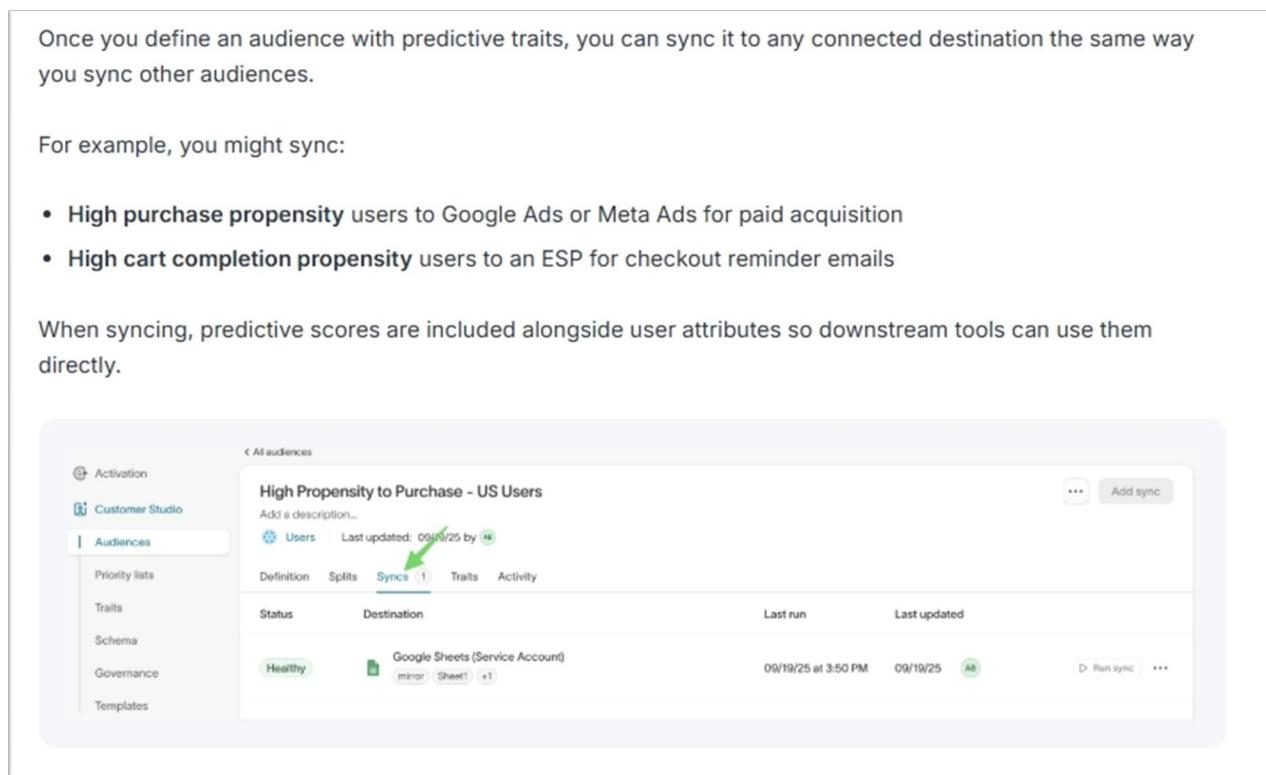


Figure 5 LG Ad Solutions via Hightouch Docs

50. LG's consumer profiles include intimate details like political leanings, sexual orientation, health interests, marital status, family composition and age, and religion.

51. LG Smart TVs are not a passive mode of entertainment, but a relentless surveillance device when ACR is activated.

III. LG'S ACR DATA COLLECTION PROGRAM IS UNLAWFUL³⁵

52. From August 28, 2013, through the present, LG has operated an unlawful ACR data collection system, because consent from consumers is not informed, privacy choices are not meaningful, users cannot reasonably understand the surveillance model, and the system defaults towards maximal data extraction.

53. From August 28, 2013, through the present, LG engaged in false, deceptive, or misleading business practices relating to the collection and use of ACR data without adequate disclosure to consumers and by obtaining consent from consumers in a deceptive or misleading manner.

54. LG's unlawful conduct was calculated to acquire or deprive money or other property from consumers who were 65 years of age or older.

A. Consent is Not Informed.

55. LG's user interface ("UI") reveals a surveillance-by-default design philosophy that is intended to manipulate consumer consent to align with its business interests. This scheme is illustrated in the following three ways.

56. *First*, consent is not informed because LG relies on non-intuitive nomenclature—deceptively and misleadingly naming their ACR data collection program *Viewing Information Agreement*.

57. The mislabeling of ACR on the consent screens presented to consumers does not put them on notice, let alone give rise to any reasonable inference, about what activity they are

³⁵ The allegations in this suit hereby serve as notice under Tex. Bus. & Com. Code § 541.154. Should LG *fail* to cure the violations of Tex. Bus. & Com. Code § 541.101-102 described herein within 30 days, Texas *will* amend to add claims for violations of the Texas Data Privacy and Security Act.

enabling and certainly does not inform them that *Viewing Information Agreement* permits continuous real-time capturing of ***every sound and image on their Smart TV every 10 milliseconds***.

58. *Second*, the *Viewing Information Agreement* accessible on LG Smart TVs use opaque and non-intuitive disclosures to present ACR to consumers in a manner that is deceptive and misleading.

59. For example, LG tells consumers that “by agreeing to the Viewing Information Agreement, [they understand that detailed information about the content [they] watch will be collected using Automatic Content Recognition software, and this information can be used and shared with [LG’s] third-party partners for advertising purposes and as described in the *Privacy Policy*

60. LG’s disclosures violate principles of informed consent because consumers are not given a sufficient or clear understanding of what data categories, recipients, or purposes are actually involved by opting in to *Viewing Information Agreement*.

61. *Third*, consent is not informed because consent is requested during forced initial set up.

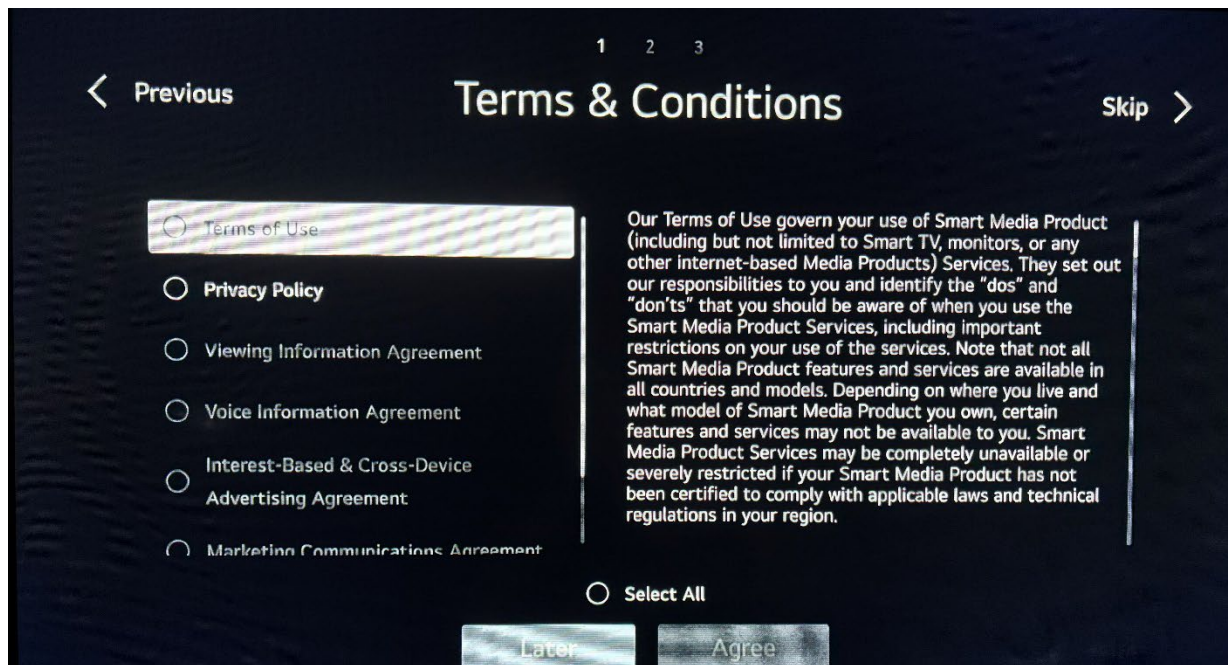


Figure 6 Consent screen on LG's Smart TV

62. When LG Smart TVs are turned on, consumers must click through a multi-page onboarding flow before landing on a consent screen.

63. Upon finally reaching the consent screen, consumers are presented with six “agreements”: (1) *Terms of Use*, *Privacy Policy*, (2) *Viewing Information Agreement*, (3) *Voice Information Agreement*, (4) *Interest-Based and Cross-Device Advertising Agreement*, (5) *Marketing Communications Agreement*, and (6) *Who.Where.What? Agreement*.

64. While all *six* agreements and their respective boxes remain unchecked; LG capitalizes on the “Paradox of Choice” which concludes too many choices actually limit a consumer’s freedom of choice because an increase of options increases the difficulty of knowing which choice is best.³⁶

³⁶ *The Paradox of Choice* (accessed Dec. 9, 2025), [The Paradox of Choice - The Decision Lab](#).

65. Therefore, nearly all consumers click *Select all* to simply finish the initial set up.

66. LG intentionally created this deceptive consent architecture to present the consents and notices when consumers are least likely to read and carefully consider them in their eagerness to start watching their new Smart TV.

B. Privacy Choices Are Not Meaningful.

67. LG' opt-out/opt-in architecture undermines the adequacy of meaningful choice in two ways.

68. *First*, LG buries consumers ability to exercise their privacy choices behind multi-step menus.

69. For example, Consumers must circumnavigate a long, non-intuitive path to exercise their right to **opt-out** (Home → Settings → Accessibility → Support → Privacy & Terms).

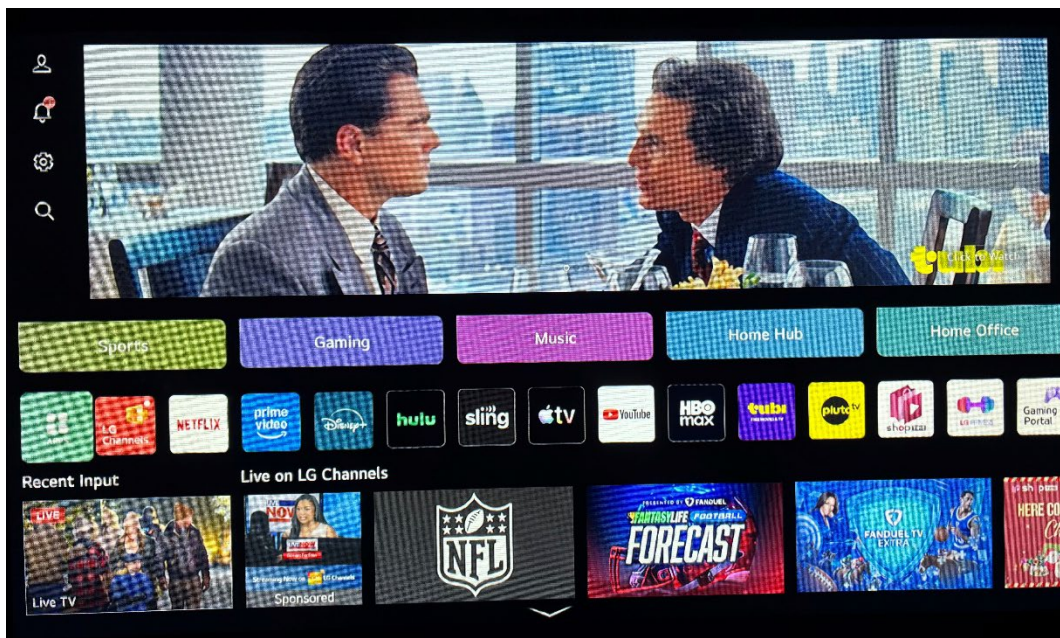


Figure 7 Home screen of LG Smart TV

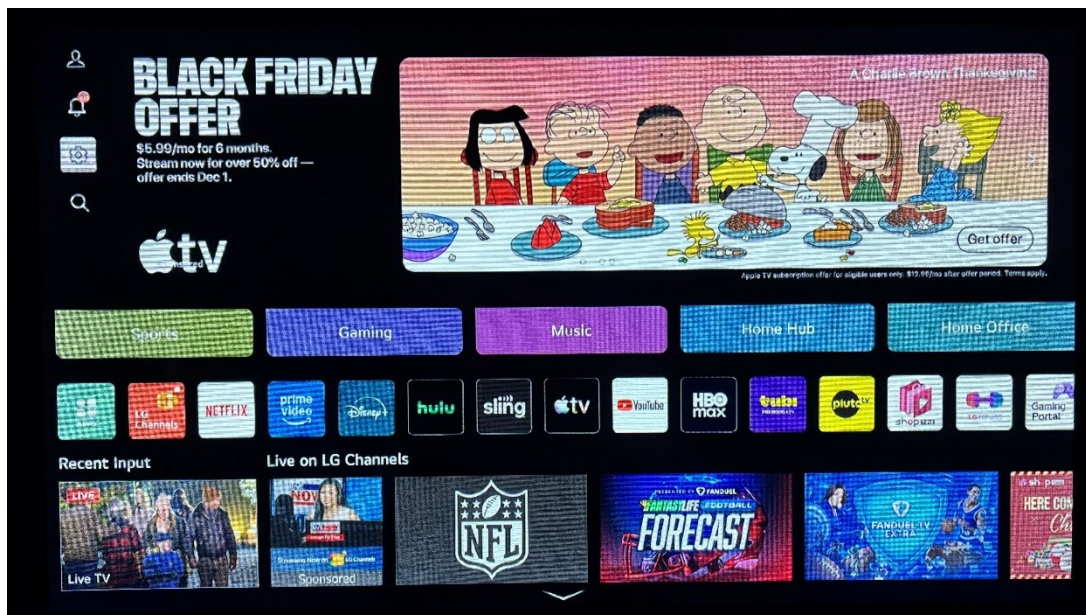


Figure 8 "Settings" selected

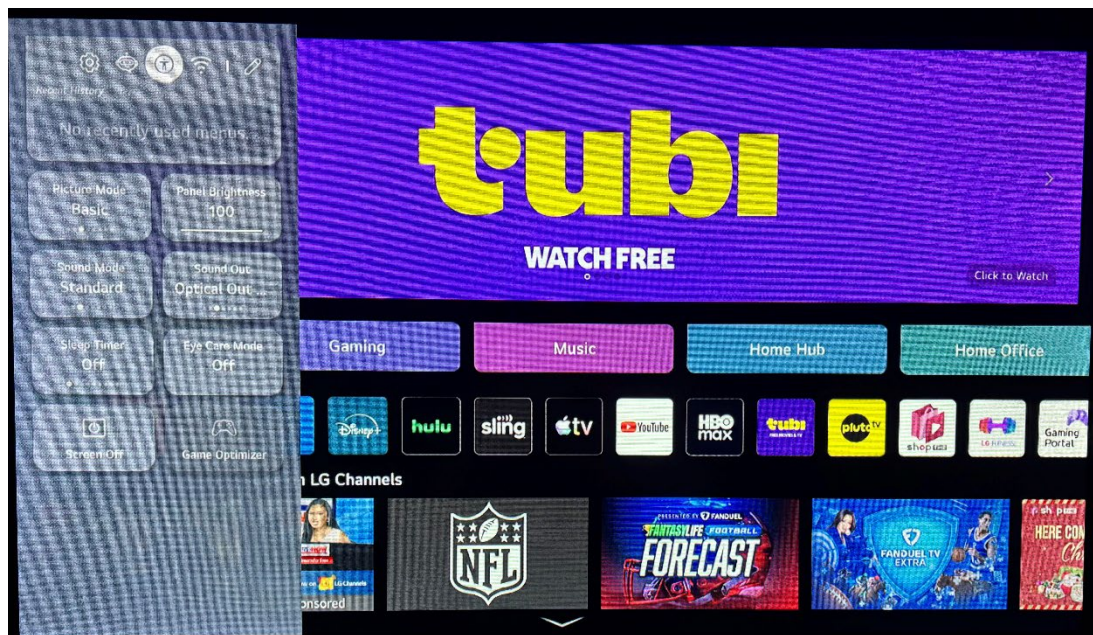


Figure 9 "Accessibility" selected

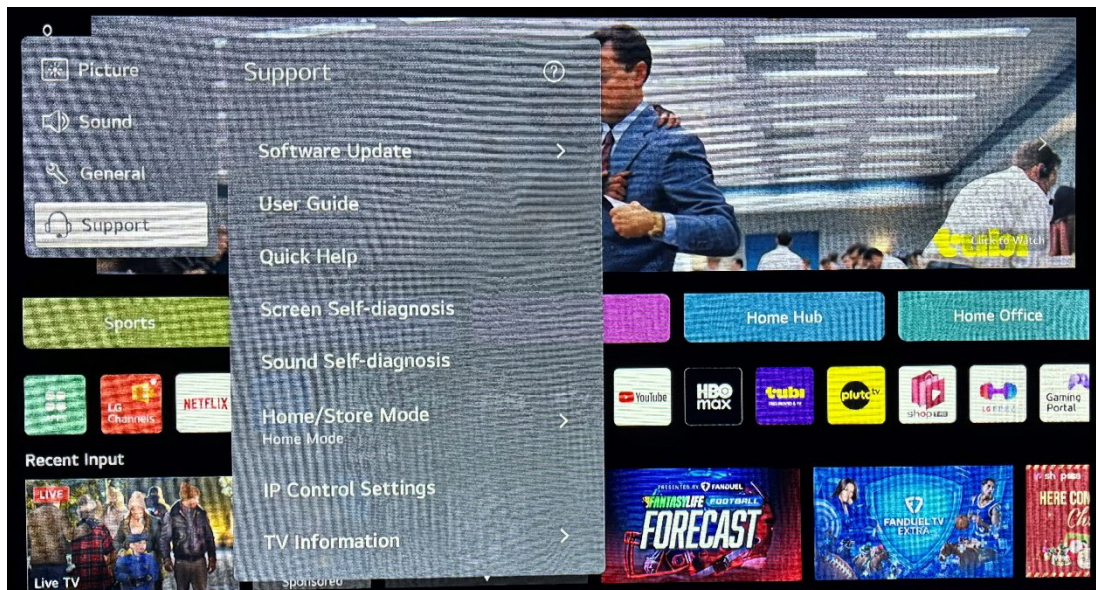


Figure 10 "Support" selected

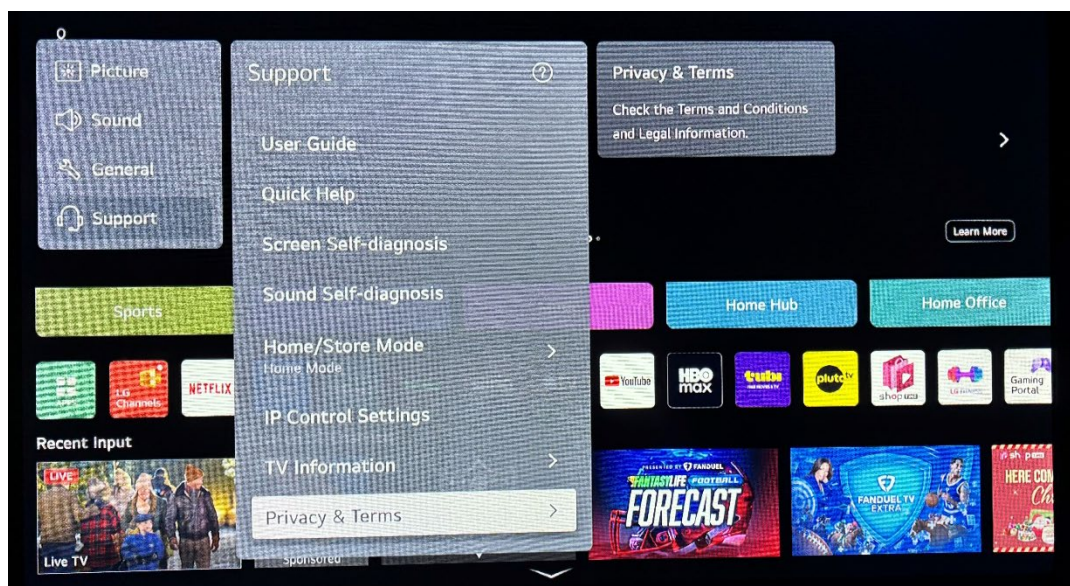
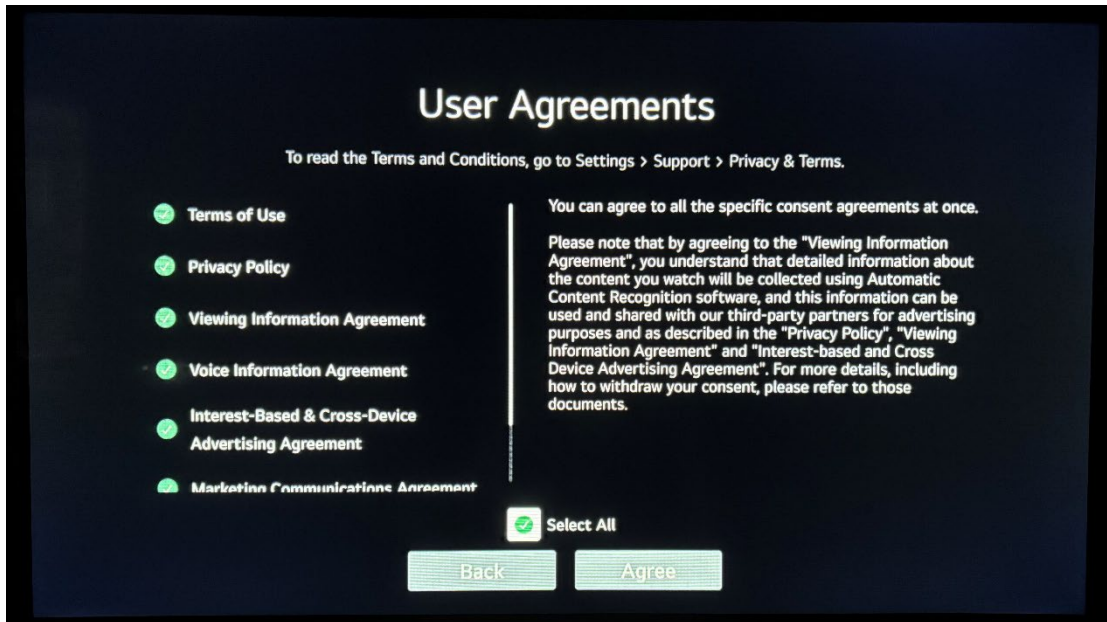


Figure 11 "Privacy & Terms" selected



70. With additional multi-step paths and toggles to access the *six consent* agreements displayed on the content screen under *User Agreements* and *Do not Sell My Personal Information*.

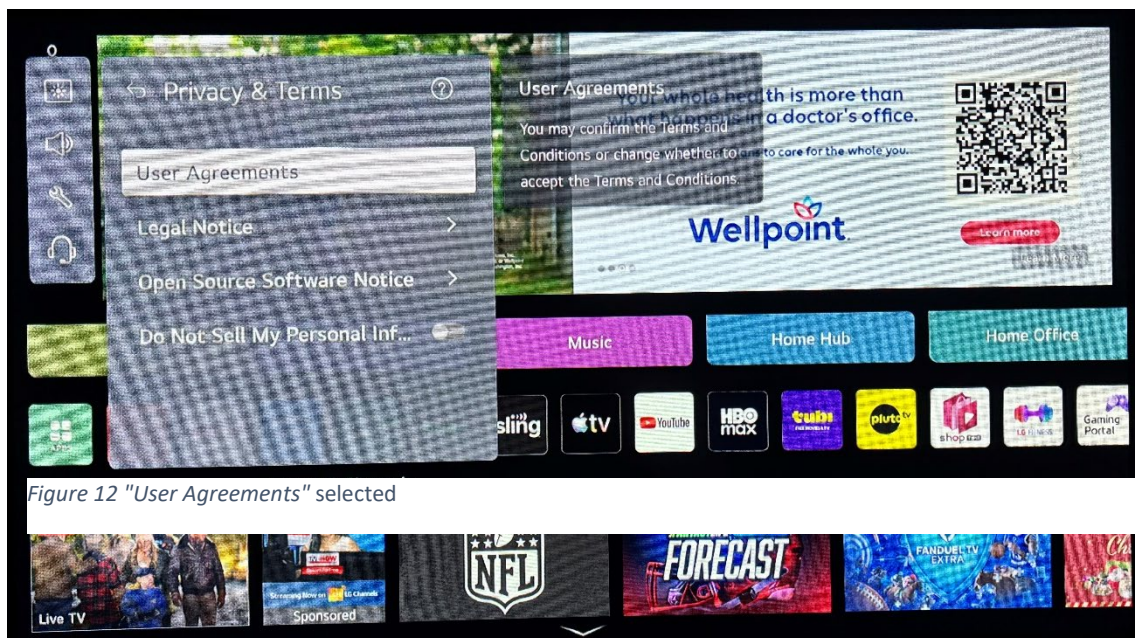


Figure 13 "User Agreements" displayed reflecting consumers' choice preferences

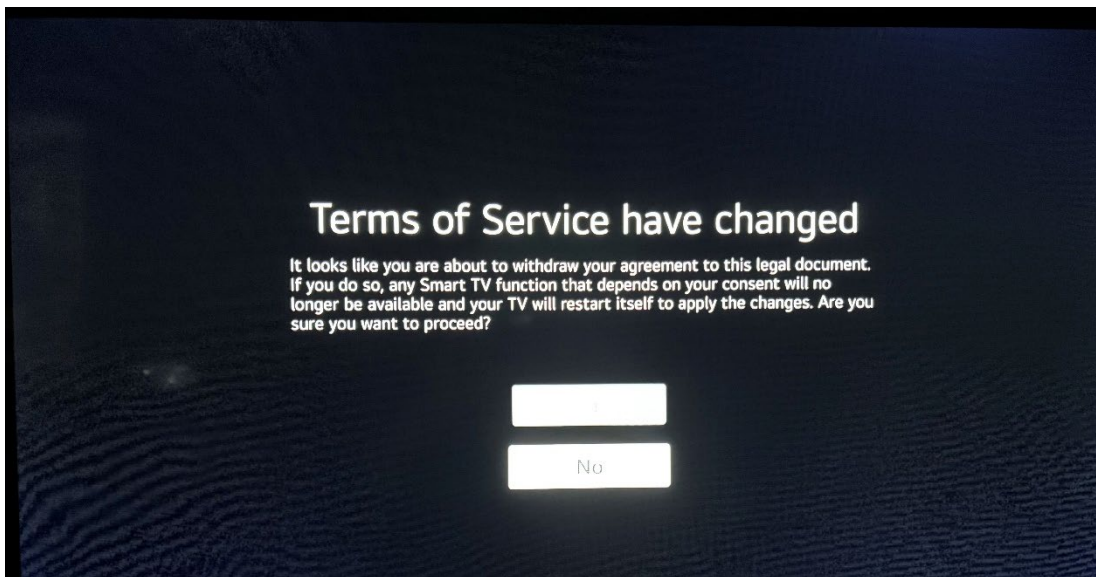


Figure 14 Screen display if consumer preferences are changed

71. *Second*, privacy choices are not meaningful because opt-out rights are scattered across four or more separate menus which requires approximately 40+ clicks.

72. To fully opt-out of ACR and related ad tracking on LG Smart TVs, consumers must opt-out of six user agreements: (1) *Terms of Use, Privacy Policy*, (2) *Viewing Information Agreement*, (3) *Voice Information Agreement*, (4) *Interest-Based and Cross-Device Advertising Agreement*, (5) *Marketing Communications Agreement*, and (6) *Who.Where.What? Agreement* and the Do Not Sell My Personal Information option. Each of which appear in different parts of the setting UI.

73. Conversely, LG provides consumers with a one-click enrollment option to **opt-in** during the initial start-up process.

74. The juxtaposition between LG’s one-click **opt-in** enrollment and the 40+ clicks spread across multiple menus to **opt-out** are quintessential examples of unlawful dark patterns, including “Privacy Zuckering,” tricking consumers into sharing more private information than they intended or would have knowingly agreed to, and “Roach Motel,” tricking consumers with easy opt-ins while making it extremely difficult to later opt-out.³⁷

C. Consumers Cannot Reasonably Be Expected to Understand LG Smart TVs Come Equipped with Surveillance Capabilities.

75. LG’s disclosures are false, deceptive, and misleading.

76. Most consumers do not know, nor have any reason to suspect, that LG Smart TVs are capturing in real-time the audio and visuals displayed on the screen and using the information to profile them for advertisers.

77. A survey of 36,000 U.S. consumers found almost half (49%) were unsure if their connected TV was being monitored, despite 62% of them having a connected TV.³⁸

78. LG takes advantage of consumers’ naivety when it comes to the technical possibilities within a Smart TV.

79. LG’s UI does not provide any visual indication to consumers that ACR is actively capturing the audio and visual from their Smart TV, such as a red-light or a message advising that the TV is “recording.”

³⁷ Kaveh Waddell, *Your Smart Devices Are Trying to Manipulate You With ‘Deceptive Design,’* Consumer Reports (Apr. 17, 2023), <https://tinyurl.com/5e3kuab4>; Staff Report, *Bringing Dark Patterns to Light*, FTC (Sept. 2022), <https://tinyurl.com/yx3kjb6>.

³⁸ Katie McQuater, *US consumers lack awareness of consent around smart TVs, finds study*, Research Live (July 9, 2018), <https://tinyurl.com/3zk2m2te>.

80. Consumers cannot reasonably infer surveillance is happening on their Smart TVs in the absence of any visual cue.

81. Consumers, moreover, cannot reasonably understand or infer how LG collects viewing data because it is not clearly stated to them.

82. LG’s consumer disclosures rarely disclose ACR as the way it collects consumer data, let alone that ACR can collect viewing data from HDMI ports, cable/satellite boxes, DVDs/Blu-rays, gaming consoles, and laptops connected as monitors³⁹.

83. LG often uses vague euphemisms for behavioral advertising and personalized advertising, which typically relies on viewing data (ACR), app usage, device identifiers, household inferences, and location-related meta data.

84. For example, LG’s *Privacy Policy* mentions data may be collected via “Automatic Data Collection” and prompts consumers to “see the separate” *Smart TV Privacy Policy* for details on how LG processes personal information in the course of providing its Smart TV . . . service.”⁴⁰

85. Consumers are then sent to the “LG Content Store Smart TV” webpage, which includes a total of eight notices.

³⁹ *Audience Profiling*, LG DSP Help Center (Oct. 20, 2025), <https://tinyurl.com/2wcdhu46>.

⁴⁰ *LG Content Store, Smart TV* (access Dec. 10, 2025), [LG Electronics Privacy Center](#).

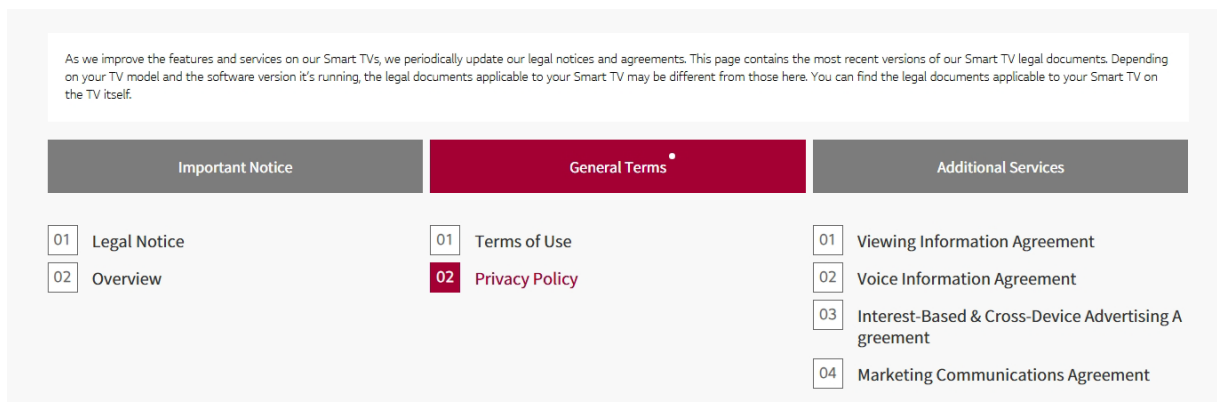


Figure 15 Smart TV Privacy Policy landing page linked in LG Privacy Policy

86. Buried deep in the *Privacy Notice* under General Terms, LG discloses its use of ACR technology and advises consumers that they “will *need to agree to additional user agreements* on [their] Smart Media Product, including ‘Viewing Information Agreement’ which provides LG consent to collect, use, share, or otherwise process Viewing Information.”

• Information in Connection with LG Channels. This is information about your interactions with the LG Channels feature. LG Channels is a streaming service that allows you to access live and on-demand premium TV channels alongside internet channels (IP channels). The information collected when you use LG Channels includes device information and viewing information such as the name of the LG Channels or program watched, requests to view LG Channels content, details of actions taken while viewing LG Channels (e.g., play, stop, pause, click, etc.), and the duration of LG Channels content watched.

• Other information you share with us. In addition to Device Information, Basic Usage Information and Information in Connection with LG Channels, you may choose to share further information with us through your Smart Media Product, such as by entering information on the user registration page, selecting favorite content or submitting your payment information. Such information may include your name and basic contact details, preferences (such as your favorite sports and/or teams), and, where applicable, photos or images that you choose to provide when using features that allow image editing or enhancement.

As explained above, you will have the opportunity to review and separately agree to Additional User Agreements. You can always access these agreements on the “User Agreement” page within your Settings menu to agree to them, review their terms, or withdraw consent (by unchecking the checkbox next to the appropriate agreement and clicking the “Agree” button). If you agree to these Additional User Agreements, LGE may also receive the following categories of information from your Smart Media Product:

• Viewing Information: This is information about your interactions with program content, including live TV content, cable, satellite or set-top box content, streaming content (e.g., LG Channels), movies, and video on demand. Viewing Information may include the name of the channel or program watched, requests to view content, details of actions taken while viewing (e.g., play, stop, pause, click, etc.), the duration that content was watched, and input method (e.g., RF, Component or HDMI, Network).

Viewing Information may be collected using Automatic Content Recognition (“ACR”) software to identify the content you watch or listen to on your device, regardless of the source of the information (e.g., from any set-top-boxes, gaming consoles, media players, over the air broadcast, or other audiovisual sources connected to your device). The ACR software identifies content by continuously analyzing audio signals it receives directly from the soundboard integrated with your Smart Media Product’s speakers; it does not receive any information directly from the microphone on your Smart Media Product or your remote(s).

Some categories of Viewing Information may only be collected through certain features or add-on services.

You will need to agree to additional user agreements on your Smart Media Product, including the “Viewing Information Agreement” which provides LGE consent to collect, use, share, or otherwise process Viewing Information. If at any time you opt out of the Viewing information Agreement or Additional User Agreements, we will discard such Viewing Information we may have collected from you based on past consent, if applicable. Please note, however, that anytime that you request to view content through a streaming service (e.g., LG Channels) provided by LG, your Smart Media Product will transmit information to enable video playback to LG. This information will only be used to provide the content you request, unless you have agreed to the Viewing Information agreement (in which case it may be used for the additional purposes described in that agreement).

Figure 16 LG Privacy Notice

IV. LG's Insatiable Appetite for Consumer Data Far Exceeds What Is Reasonably Necessary

87. LG's collection of viewing data is excessive, disproportionate, and unnecessary for the specific purposes disclosed to consumers.

A. Personalized Content.

88. "Personalized content" is not a legitimate purpose for collecting ACR data about consumers.

89. Providing consumers with personalized content does not require the capture of ACR fingerprints every 10 milliseconds.⁴¹

90. To personalize a homepage or recommend shows, LG needs simple, high-level indicators, such as which apps were opened, what genres are preferred, what shows were recently watched within the streaming apps that already collect this data.

91. The data LG collects about consumers is, in reality, for target advertising—not to provide consumers with "personalized content."

92. Personalized content does not require tracking content on external devices.

93. ACR monitors anything that appears on the screen, including game consoles like PlayStation and Xbox; Apple TV, Roku, Fire Stick; cable/satellite boxes; and laptops via HDMI.

94. None of which contributes to LG providing consumers with "personalized content."

⁴¹ *Samsung and LG Smart TVs are Watching You. Here's How to Stop it* (accessed Dec. 6, 20205), [Samsung and LG Smart TVs are watching you. Here's how to stop it | PCWorld](#).

95. Personalized content improves recommendations, helps surface content consumers are likely to enjoy, and can be done with minimal signals that do not require sharing with third-party advertising partners.⁴²

B. Targeted Advertising

96. “Targeted advertising” is not a legitimate purpose for collecting ACR data about consumers.

97. The intrusiveness, granularity, continuity, and cross-device nature of LG’s ACR tracking far exceeds what is reasonably necessary to provide consumers with “targeted advertising.”

98. While detailed or behavioral data may enhance the relevance of advertisements, this type of data is not strictly necessary to deliver targeted advertisements.⁴³

99. At minimum, advertisers can rely on significantly less data, such as contextual information to deliver relevant advertisements.⁴⁴

100. Since ACR derived viewing data elements are not essential to show consumers targeted and precise behavioral advertisements, this method of tracking can only be described as extreme, granular, and continuous surveillance.

101. This kind of invasive data harvesting is only needed to increase advertisement revenue, which does not satisfy a consumer-necessity standard.

⁴² CookieHub, *Privacy is personal, but doesn’t erase potential for personalization* (accessed Dec. 6, 2025), <https://tinyurl.com/4ve3vwn4>.

⁴³ *Contextual Advertising 2025*, Viasat (accessed Dec. 11, 2025), <https://tinyurl.com/2kfmedsb>.

⁴⁴ *Id.*

102. Minimal ad-supported systems could show non-targeted ads. This alternative is both functional and privacy preserving.⁴⁵

103. LG chooses precision targeting which requires unnecessary data harvesting.

104. The existence of an alternative demonstrates LG's data collection practices are excessive and not limited to what is reasonably necessary.

105. Lastly, to run targeted advertisements, LG shares consumers' viewing data with demand-side platforms, ad networks, measurement companies, data brokers, and cross-device graphing companies.⁴⁶

106. Sharing data with third parties is not, and never was, necessary for LG's core delivery service which provides consumers with access to streaming services.

V. LG'S MISCONDUCT WARRANTS THE MAXIMUM IMPOSITION OF CIVIL PENALTIES

107. Texas is entitled to recover up to \$10,000 for each violation of the DTPA, and up to \$250,000 for each violation of the DTPA that was calculated to acquire or deprive money or other property from a consumer who was 65 years of age or older. Tex. Bus. & Com. Code § 17.47(c)(1).

108. Texas Bus. & Com. Code § 17.47(g) describes the six factors the trier of fact "shall consider" when determining the amount of civil penalties to impose: "(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

⁴⁵ Newor Media, *How To Serve Non-Targeted Ads On Your Website* (Apr. 7, 2021), <https://tinyurl.com/5n6zm4sk>.

⁴⁶ Buyer, LG Demand-Side Platforms Help Center (Mar. 14, 2024), <https://tinyurl.com/5n7hnxz9>.

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.”

109. 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]henver 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]....”

110. The facts described above shall be considered by the jury when determining the civil penalties to impose. *See* Tex. Bus. & Com. Code § 17.47(g)(1)-(6).

111. LG’s current financial situation must also be considered by the jury when determining civil penalties to impose. *See* Tex. Bus. & Com. Code § 17.47(g)(3)-(4), (6).

112. LGs history of anticompetitive, bribery, antitrust, stock manipulation, and anti-consumer practices must be considered by the jury when determining the civil penalties to impose. *See* Tex. Bus. & Com. Code § 17.47(g)(2), (5)-(6).

CAUSES OF ACTION

Count I

Violations of the Texas Deceptive Trade Practices Act, Tex. Bus. & Com. Code §§ 17.46 *et seq.* (“DTPA”)

113. Texas incorporates the forgoing allegations as set forth fully herein.

114. The Texas Deceptive Trade Practices Act prohibits false, misleading, or deceptive acts or practices in the conduct of trade and commerce. As alleged herein and detailed above, LG 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.

115. At all times described below, LG and their agents have engaged or continue to engage in conduct that constitutes “trade” and “commerce” as defined in Section 17.45(6) of the Texas Deceptive Trade Practices Act.

Violation 1: Misrepresentations Regarding the Collection of Personal Information

116. Texas Bus. & Com. Code § 17.46(a) prohibits “false, misleading, or deceptive acts or practices in the conduct of any trade or commerce.”

117. LG falsely, expressly or by implication, misrepresents to Texas consumers that its *Viewing Information Agreement* feature is designed to provide consumers with a tailored viewing experience, while knowing the ACR embedded feature on its Smart TVs collects granular data to deliver hyper-focused consumer behavior insights to benefit itself and its advertising partners.

118. Through their misrepresentations, LG violated Sections 17.46(a) of the DTPA.

Violation 2: Failure to Disclose Presence of Automated Content Recognition Technology

119. Texas Bus. & Com. Code § 17.46(b)(24) provides that “false, misleading, or deceptive acts or practices” includes “failing to disclose information concerning goods or services which was known at the time of the transaction if such failure to disclose such information was intended to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed.”

120. LG engaged or continues to engage in false, misleading and deceptive acts when they fail to disclose to Texas consumers that they embed proprietary ACR technology into their Smart TVs. By withholding this information, LG intend to induce Texas consumers into transactions they would not have entered had LG disclosed this information.

121. In doing so, LG violated Section 17.46(b)(24) of the DTPA.

TEMPORARY RESTRAINING ORDER AND TEMPORARY INJUNCTION

122. Texas incorporates the forgoing allegations as set forth fully herein.

123. 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.⁴⁷

124. However, 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.”⁴⁸

125. And “when 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.”⁴⁹

126. Even so, the State’s inability to enforce its “duly enacted [laws] clearly inflicts irreparable harm on the State.”⁵⁰

127. This Court may issue a temporary restraining order with or without notice to the opposing party, while a temporary injunction requires notice.⁵¹

⁴⁷ *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.

⁴⁸ *State v. Texas Pet Foods, Inc.*, 591 S.W.2d 800, 805 (Tex. 1979).

⁴⁹ *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.).

⁵⁰ *Texas Ass’n of Bus. v. City of Austin*, 565 S.W.3d 425, 441 (Tex. App.—Austin 2018, pet. denied) (quoting *Abbott v. Perez*, 585 U.S. 579, 602 (2018)); see *Washington v. Associated Builders & Contractors of S. Tex. Inc.*, 621 S.W.3d 305, 319 (Tex. App.—San Antonio 2021, no pet.) (“Like the trial court, our sister court, and the Supreme Court, we agree that the ‘inability [of a state] to enforce its duly enacted [laws] clearly inflicts irreparable harm on the State.’” (quoting *Abbott*, 585 U.S. at 602 n.17, and *Texas Ass’n of Bus.*, 565 S.W.3d at 441)).

⁵¹ See Tex. R. Civ. P. 680–81.

128. Whether to grant a temporary restraining order or temporary injunction rests with a trial court's sound discretion.⁵²

129. The purpose of a TRO is to maintain the status quo pending a full hearing on the merits, not to order the complete relief sought.⁵³ The same is true of a temporary injunction.⁵⁴

130. 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).

131. Under the DTPA Texas need only prove the following to obtain a temporary restraining order and temporary injunction against LG: (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.⁵⁵

132. 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[.]”⁵⁶

133. The fact that an entity has, or may, cease its unlawful conduct does not affect the State's entitlement to injunctive relief.⁵⁷

134. The DTPA itself creates a conclusive presumption that potentially violative conduct coupled with a public need presents a sufficient risk of harm.

⁵² *In re MetroPCS Communications, Inc.*, 391 S.W.3d 329, 336 (Tex. App.—Dallas 2013, no pet.); *Butnaru*, 84 S.W.3d at 204.

⁵³ *In re Triantaphyllis*, 68 S.W.3d 861, 869 n.7 (Tex. App.—Houston [14th Dist.] 2002, no pet.) (citation omitted).

⁵⁴ *Intercont'l Terminals Co., LLC v. Vopak N. Am., Inc.*, 354 S.W.3d 887, 891 (Tex. App.—Houston [1st Dist.] 2011, no pet.).

⁵⁵ *West*, 212 S.W.3d at 518–19; *see also* Tex. Bus. & Com. Code § 17.47(a).

⁵⁶ Tex. Bus. & Com. Code § 17.46(a).

⁵⁷ *West*, 212 S.W.3d at 518–19.

135. The Attorney General has reason to believe that LG 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 restraining order and a temporary injunction would be in the public interest; consequently, this Court should immediately enter a temporary restraining order enjoining LG and its officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise, from collecting, sharing, selling, disclosing, using, or disclosing the ACR data it collects from LG Smart TVs about Texas consumers during the pendency of this suit.

TRIAL BY JURY

136. Texas demands a jury trial and tenders the appropriate fee with this petition.

PRAYER FOR RELIEF

137. Texas respectfully requests that this Honorable Court enter a judgment awarding the following for LG's violations of the DTPA:

(a) Imposing civil penalties of:

(1) not more than \$10,000 per violation of the DTPA; and

(2) if the act or practice that is 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 of not more than \$250,000.

(b) Declaring LG's conduct as described herein to be in violation of the DTPA;

(c) Temporarily and permanently enjoining LG, their agents, employees, and all other persons acting on their behalf, directly or indirectly, from violating the DTPA, including by: (1) incorporating, employing, or otherwise using, directly or indirectly, any pattern or design that relates in any way to consumers' viewing data, which causes, or is intended to cause, a consumer to act in a way that they would not absent the pattern or design, including mechanisms to obtain consent from consumers; and (2) collecting, sharing, selling, using, or disclosing consumers' viewing data without providing customers with a clear and conspicuous notice of LG's practices and obtaining customers' express, informed consent.

(d) Awarding the State attorney's fees and costs of court pursuant to Texas Government Code Section 402.006(c); and

Granting any other general, equitable, and/or further relief this Court deems just and proper.

Dated: December 15, 2025

KEN PAXTON

Attorney General of Texas

BRENT WEBSTER

First Assistant Attorney General

RALPH MOLINA

Deputy First Assistant Attorney General

AUSTIN KINGHORN

Deputy Attorney General for Civil Litigation

Respectfully submitted,

/s/Johnathan Stone

JOHNATHAN STONE

Chief, Consumer Protection Division

Texas State Bar No. 24071779

JERRY BERGMAN

Deputy Chief, Consumer Protection Division

Texas State Bar No. 24081694

JOHN C. HERNANDEZ

Assistant Attorney General

Texas State Bar No. 24095819

RICHARD R. MCCUTCHEON

Assistant Attorney General

Texas State Bar No. 24139547

OFFICE OF THE ATTORNEY GENERAL OF TEXAS

Consumer Protection Division

P.O. Box 12548

Austin, Texas 78711-2548

Tel: (512) 463-2185

Fax: (512) 473-8301

Johnathan.Stone@oag.texas.gov

Jerry.Bergman@oag.texas.gov

JC.Hernandez@oag.texas.gov

Richard.McCutcheon@oag.texas.gov

HINA HALEPOTA

Assistant Attorney General

Texas State Bar No. 24150152

TISHA JAMES

Assistant Attorney General

Texas State Bar No. 24123131

JAKE A. EVINGER

Assistant Attorney General

Texas State Bar No. 24149563

OFFICE OF THE ATTORNEY GENERAL OF TEXAS

Consumer Protection Division

808 Travis Street, Suite 1520

Houston, Texas 77002
Tel: (713) 223-5886
Fax: (713) 223-5821
Hina.Halepota@oag.texas.gov
Tisha.James@oag.texas.gov
Jake.Evinger@oag.texas.gov

**ATTORNEYS FOR THE STATE OF
TEXAS**

VERIFICATION

Pursuant to Tex. Civ. Rem. & Prac. Code § 132.001(f), Johnathan Stone 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 15th day of December 2025.

/s/Johnathan Stone

Johnathan Stone

VERIFICATION

Pursuant to Tex. Civ. Rem. & Prac. Code § 132.001(f), RYAN HANLAN 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.

On December 1st, 2025, I purchased an LG 32" Class HD LR60 Smart TV from walmart.com and had it shipped to our undercover address. Once the shipment arrived, I traveled to our undercover address and picked up the TV. I returned to the office where I assembled the TV and setup the TV using the on-screen interface for initial configuration provided to all new users. After setting up the TV I continued to explore, interact and review the various settings and features available. I also reviewed defendant's various user agreements, terms of service, and privacy policies available on the TV.

I declare under penalty of perjury that based on my experience navigating and utilizing the TV's setup interface and user settings, review of privacy statements, agency records, and my personal knowledge, the facts pertaining to that TV stated in paragraphs 55-74 in the Petition are true and correct.

Executed in Travis County, State of Texas, on the 15th day of December 2025.

/s/ Ryan Hanlan
RYAN HANLAN