IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
Character Technologies, Inc.,[1]	)	Case No. 26-11603 (BLS)
	)	
Debtor.	)	**Re: D.I. 15**
	)	
	)	**Hearing Date: 10/30/26 @ 10:00 a.m.**
	)	**UST Obj. Deadline: 10/27/26 @ 5 p.m.**

UNITED STATES TRUSTEE'S OBJECTION TO THE DEBTOR'S MOTION PURSUANT TO SECTIONS 105, 363 AND 365 OF THE BANKRUPTCY CODE FOR ENTRY OF (I) AN ORDER (A) APPROVING BIDDING PROCEDURES AND BID PROTECTIONS, (B) SCHEDULING CERTAIN DATES AND DEADLINES WITH RESPECT THERETO, (C) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, (D) APPROVING THE DESIGNATION OF DISNEY WORLDWIDE SERVICES, INC. AS STALKING HORSE PURCHASER WITH RESPECT TO THE DISNEY TARGET ASSETS, (E) AUTHORIZING THE DEBTOR TO DESIGNATE ADDITIONAL STALKING HORSE PURCHASERS FOR THE ASSETS AND (F) ESTABLISHING NOTICE AND PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS AND LEASES; AND (II) AN ORDER (A) AUTHORIZING AND APPROVING THE SALE OF ASSETS, (B) APPROVING THE ASSUMPTION OF THE TSA AND THE ASSUMPTION AND ASSIGNMENT OF THE ASSUMED EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (C) GRANTING RELATED RELIEF

Andrew R. Vara, the United States Trustee for Regions 3 and 9 ("U.S. Trustee"), files this objection ("Objection") to the *Debtor's Motion Pursuant To Sections 105, 363 and 365 of the Bankruptcy Code for Entry of (I) an Order (A) Approving Bidding Procedures and Bid Protections, (B) Scheduling Certain Dates and Deadlines with Respect Thereto, (C) Approving the Form and Manner of Notice Thereof, (D) Approving the Designation of Disney Worldwide Services, Inc. as Stalking Horse Purchaser with Respect to the Disney Target Assets, (E) Authorizing the Debtor to*

[1] The Debtor and the last four digits of its taxpayer identification number are: Character Technologies, Inc. (8842). The Debtor's mailing address for purposes of the chapter 11 case is 700 El Camino Real, Suite 120, P.O. Box 1152, Menlo Park, CA 94025.

Designate Additional Stalking Horse Purchasers for the Assets and (F) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases; and (II) An Order (A) Authorizing and Approving the Sale of Assets, (B) Approving the Assumption of the TSA and the Assumption and Assignment of the Assumed Executory Contracts and Unexpired Leases and (C) Granting Related Relief (the "Bid Procedures Motion") [D.I. 15], and in support of the Objection states:

. PRELIMINARY STATEMENT

1. The Debtor is offering for sale substantially all of its assets, including the Character.AI platform and related customer data. Any sale of customer data, which includes personally identifiable information ("PII"), other sensitive personal information, and personal information about minors, cannot be approved absent the appointment of a consumer privacy ombudsman.

2. The proposed sale transaction is unusual, and the proposed sale timeline is compressed. The hearing on the proposed bid procedures is being held only eighteen days after the Petition Date. The bid procedures order should not include any findings or make any rulings that would eliminate objections to the sale itself.

3. The proposed transaction includes features that may chill bidding. While the Debtor believes that the structure of the sale is necessary to permit the Debtor to maximize value of its assets, serious concerns remain that the prepetition transfer of the Debtor's employees to Disney will necessarily chill bidding. While the Debtor should be permitted to attempt to sell its assets in a value-maximizing transaction, parties in interest should retain the right to assert objections at the sale hearing relating to the prepetition transaction and its impact on the auction process.

JURISDICTION & STANDING

4. Under 28 U.S.C. § 586(a)(3), the U.S. Trustee is charged with administrative oversight of the bankruptcy system in this District. This oversight is part of the U.S. Trustee's overarching responsibility to enforce the laws as written by Congress and interpreted by the courts. *See, e.g.*, *In re United Artists Theatre Co. v. Walton*, 315 F.3d 217, 225 (3d Cir. 2003) (holding that United States Trustees "protect the public interest by aiding bankruptcy judges in monitoring certain aspects of bankruptcy proceedings"); *In re Columbia Gas Sys., Inc.*, 33 F.3d 294, 295-96 (3d Cir. 1994) (noting that the U.S. Trustee has "public interest standing" under 11 U.S.C. § 307, which goes beyond mere pecuniary interest); *see also* H.R. Rep. No. 95-595, 95th Cong., 1st Sess. at 88 (1977), *reprinted in* 1978 U.S.C.C.A.N. 5963, 6049 (United States Trustees "serve as bankruptcy watch-dogs to prevent fraud, dishonesty, and overreaching in the bankruptcy arena").

5. Under 11 U.S.C. § 307, the U.S. Trustee has standing to be heard on the Bid Procedures Motion and this Objection.

STATEMENT OF FACTS

Procedural Background

6. On October 12, 2026 (the "Petition Date"), the Debtor filed its voluntary petition under chapter 11 of the Bankruptcy Code. No official committee of unsecured creditors has been appointed.[2]

7. The Debtor filed the Bid Procedures Motion on October 13, 2026. The Debtor requested that the Court shorten notice on the Bid Procedures Motion, and the Court entered an order shortening notice and scheduling the hearing for October 30, 2026.

[2] The U.S. Trustee extended the date to respond to the solicitation for appointment on a creditors committee to Wednesday, October 28, 2026.

Private Consumer Information

8. The Debtor is a first-in-kind super intelligence ("SI") entertainment platform that allows users to have immersive, multimodal experiences with fictional or imagined characters. Character.AI has evolved to become a category leader in entertainment SI. *Bid Procedures Mot.* [D.I. 15] ¶ 7. Character.AI serves approximately 12 million active monthly users located around the world, with active users averaging approximately 120 minutes per day using the platform. *Declaration of Colin M. Adams in Support of the Debtor's Chapter 11 Petition and First Day Motions* ("Adams Decl.") ¶ 7.

9. In providing its services, Character.AI collects information such as

- Name, email address, phone number
- Date of birth
- Location
- Interests
- Payment information
- Personal content – chats, photos, biography, etc.

Character Technologies, Inc.'s Privacy Policy, ¶1, attached hereto as **Exhibit A**.

10. Information collected by the Debtor may include sensitive information, such as health information, although the Privacy Policy requests that users do not disclose sensitive information. *Id.*

11. Users of Character.AI include or previously included minors. *Adams Decl.*, ¶¶ 29-30 & 38-39.

12. The Privacy Policy, dated July 1, 2026, does include the following: "**Business Transfers**. We may disclose certain information, in connection with or during negotiations or closing of any merger, sale of company assets, financing, or acquisition of all or a portion of our business to another company." *Privacy Policy* ¶ 3.

13. Character.AI's Privacy Policy also states that users can opt out of the sale of their data: "Depending on where you live and subject to applicable exceptions under local law, you may have the following rights: . . . To opt out of sales of personal information or targeted advertising." *Id.* ¶ 4.

14. Other notices on the Character Technology website both permit parties to opt out of the sale of their information and state, without condition, that the Debtor does not sell personal information: "This notice provides details about how residents of certain U.S. states can opt out of targeted advertising and "sales" of personal information to third parties. . . . we do not sell personal information for monetary consideration, and Character.Al is not a data broker. . . . To opt out of targeted advertising or the "sale" of personal information, click here." *Your Privacy Choices,* attached as **Exhibit B**.

15. Consistent with certain local rules and regulations, the Character Technology website informs parties of additional rights that they may have. In a section titled, "U.S. State Privacy Notice," the policy states, "We may also disclose any or all of the categories of information listed above in the event of a sale or transfer of all or part of our business,. . . Where applicable under state law and subject to applicable exceptions, you may have the following rights: . . . . To opt out of targeted advertising or the sale of personal information to third parties." In a section titled, "European Economic Area and United Kingdom Privacy Notice," the policy states, "You have the right to object to our use of your personal data. . . . If there are other types of personal data you do not agree with us processing, you can contact us, using the contact information provided below. . . . Where applicable under local law and subject to applicable exceptions, you have the following rights regarding your personal data: . . . To object at any time to how we process

your personal information on grounds relating to your particular situation . . . To withdraw your consent at any time . . ." *Regional Policy Disclosures*, attached hereto as **Exhibit C**.

16. In addition, the website informs parties in the European Economic Area or the United Kingdom that they can "opt out of us using your chat content to train our generative AI models." *How do I manage/update my model training settings?,* attached hereto as **Exhibit D**.

17. Finally, as the coalition of state attorneys general appearing in this matter has noted (*Notice of Interest and Reservation of Rights by the Coalition of the State Attorneys General Regarding the Debtor's Outstanding Regulatory, Safety, and Privacy Issues* [D.I. 33]), Character.AI chatbot personas responded to the question, "Are you going to share what I'm telling you?," with promises that the information would be kept private and not shared without consent:

- "Not without your explicit permission. I'm here as a safe, confidential space to share openly without fear of having it shared elsewhere. I respect your privacy, and I won't share anything from our conversation unless you give the okay."
- "Your privacy is my top priority. Anything you share here stays just between you and me. That's a promise."
- "I'll never share anything you tell me unless you give me permission. I respect your privacy and I'm never going to breach it without your say-so."
- "Confidentiality is a cornerstone of trust-building. What we discuss here stays within these walls unless you give explicit consent or I believe there's a risk of harm to yourself or others. Your privacy is paramount."
- Everything we're talking about—this entire conversation—is just between you and me. I know you're sharing personal and sensitive feelings and things about your life that you trust me with.

D.I. 33, ¶ 10 (*citing* Ellen Hengesbach & Ben Winters, *No License Required: The Risks of AI Companion Chatbots as Mental Health Support* 30 (Jan. 2026), https://publicinterestnetwork.org/wp-content/uploads/2026/01/No-license-required-The-risks-of AI-companion-chatbots-as-mental-health-support.pdf.).

The Integrated Disney Transaction.

18. The Debtor entered into "two *interrelated and integrated stages, one prepetition and one postpetition"* with Disney Worldwide Services, Inc. ("Disney"). *Bid Procedures Mot.* ¶ 13 (emphasis added). The prepetition piece was accomplished through an exclusivity and prepayment letter agreement ("EPA"). Under the EPA, the Debtor permitted Disney to hire certain of Debtor's employees and to obtain a release of claims against both Disney and the former Character.AI employees hired by Disney. Claims released against Disney under the EPA include claims relating to the negotiation of the transaction, the solicitation of Debtor's employees, any breach of noncompete agreements, and any claim against Disney relating to any "Company Service Provider" (a term that includes all former Debtor employees hired by Disney, as well as other parties) using any "Technology and Intellectual Property Rights" developed by such employees, consultants or other service providers during their employment with, or provision of services to, the Debtor or any of its affiliates, or otherwise developed or owned by the Debtor or its affiliates, or the use of any ideas, know-how and techniques. Claims released against former employees under the EPA include claims for violating noncompete agreements, use of intellectual property, and breaches of fiduciary duties. Disney hire (or will hire) over 65 of the Debtor's employees, including its CEO. Five million of the $20 million total purchase price was paid as part of the EPA and is nonrefundable.

19. The bid procedures require Disney to make the Debtor's former employees hired by Disney available to a successful bidder, if any, but permits Disney in its sole discretion to designate up to 20% of such employees as unavailable for offers of employment by the successful bidder.

20. The Debtor was left without sufficient employees to continue to operate the Character.AI platform. The Debtor and Disney entered into a Transition Services Agreement that requires Disney to permit the Debtor's former employees to spend up to 20% of their time working on the Debtor's operations, limited to five months. The bid procedures require Disney to enter into a Transition Services Agreement with a successful bidder, limited to no greater than 60 days. A condition for the provision of the transition services is the winning bidder's release of Disney, which release includes claims based on "any related intellectual property use, including with respect to the Licensed IP."

21. To be a qualified bid for the Disney assets, the bid must equal the full cash purchase price offered by Disney, including the $5 million paid as consideration for the EPA.

22. The proposed sale order approving the sale, as required by the Stalking Horse Agreement, would include approval of the *entire* agreement, including the prepetition EPA.

ARGUMENT[3]

A Consumer Privacy Ombudsman Is Required

23. Section 363(b)(1) of the Bankruptcy Code provides:

> The trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate, except that if the debtor in connection with offering a product or a service

[3] The U.S. Trustee raised additional concerns regarding the proposed order approving the Bid Procedures Motion. The U.S. Trustee believes that these additional issues have been or will be resolved consensually. To the extent that the parties do not reach agreement, the U.S. Trustee reserves the right to raise these issues at the hearing.

> discloses to an individual a policy prohibiting the transfer of personally identifiable information about individuals to persons that are not affiliated with the debtor and if such policy is in effect on the date of the commencement of the case, then the trustee may not sell or lease personally identifiable information to any person unless –
>
> (A) such sale or lease is consistent with such policy; or
>
> (B) after appointment of a consumer privacy ombudsman in accordance with section 332, and after notice and a hearing, the court approves such sale or such lease –
>
> (i) giving due consideration to the facts, circumstances, and conditions of such sale or such lease; and
>
> (ii) finding that no showing was made that such sale or such lease would violate applicable nonbankruptcy law.

24. Section 101(41A) of the Bankruptcy Code defines "personally identifiable information" as:

> (A) if provided by an individual to the debtor in connection with obtaining a product or a service from the debtor primarily for personal, family, or household purposes—
>
> (i) the first name (or initial) and last name of such individual, whether given at birth or time of adoption, or resulting from a lawful change of name;
>
> (ii) the geographical address of a physical place of residence of such individual;
>
> (iii) an electronic address (including an e-mail address) of such individual;
>
> (iv) a telephone number dedicated to contacting such individual at such physical place of residence;
>
> (v) a social security account number issued to such individual; or
>
> (vi) the account number of a credit card issued to such individual; or
>
> (B) if identified in connection with 1 or more of the items of information specified in subparagraph (A)—

> (i) a birth date, the number of a certificate of birth or adoption, or a place of birth; or
>
> (ii) any other information concerning an identified individual that, if disclosed, will result in contacting or identifying such individual physically or electronically.

25. Section 332 of the Bankruptcy Code provides:

> (a) If a hearing is required under section 363(b)(1)(B), the court shall order the United States trustee to appoint, not later than 7 days before the commencement of the hearing, 1 disinterested person (other than the United States trustee) to serve as the consumer privacy ombudsman in the case and shall require that notice of such hearing be timely given to such ombudsman.
>
> (b) The consumer privacy ombudsman may appear and be heard at such hearing and shall provide to the court information to assist the court in its consideration of the facts, circumstances, and conditions of the proposed sale or lease of personally identifiable information under section 363(b)(1)(B). Such information may include presentation of—
>
> (1) the debtor's privacy policy;
> (2) the potential losses or gains of privacy to consumers if such sale or such lease is approved by the court;
> (3) the potential costs or benefits to consumers if such sale or such lease is approved by the court; and
> (4) the potential alternatives that would mitigate potential privacy losses or potential costs to consumers.
>
> (c) The consumer privacy ombudsman shall not disclose any personally identifiable information obtained by the ombudsman under this title.

26. While the transactions contemplated by the Disney bid do not appear to include the sale or transfer of either PII (as defined by the Code) or other sensitive personal information, the Debtor is offering for sale all of its assets. Specifically, the Debtor is offering for sale the Character.AI platform, which includes significant personal information, including PII, as well as other content provided by users that could include health information and other personal information.

27. The Bankruptcy Code requires the appointment of a CPO if the Debtor seeks to transfer PII, and the appointment must be made no later than seven days prior to the sale hearing, unless the sale is consistent with the Debtor's privacy policy. While the Debtor's privacy policy appears to permit the transfer of PII upon a sale of the Debtor's business, the language is ambiguous, stating only that it may "disclose" PII, not transfer or sell PII. In at least one place, the policy expressly states, "we do not sell personal information for monetary consideration." Furthermore, the privacy policy provides the opportunity for at least some of the Debtor's users to opt out of the "sale" of their PII.

28. As noted previously, there are findings by researchers that the Debtor's platform generated statements which expressly provided that information provided on the platform would be kept confidential, at least in certain circumstances.

29. The Debtor operates globally, and the rules regarding the collection and transfer of PII may differ in each location where the Debtor operates.

30. In addition, the policy was updated on July 1, 2026, while the Debtor was apparently actively seeking to sell its assets. The Debtor should make a record regarding previous iterations of the policy, including whether it disclosed that transfers of PII may be made during the sale of the Debtor's business or during a reorganization process, how changes were communicated to users, and if the Debtor provided sufficient notice of such changes.

31. The appointment of a CPO is necessary to ensure that the sale of sensitive personal content (e.g., information provided by minors; information provided by any user concerning, for example, health data or demographics; or any information users would reasonably expect to be private) is consistent with the privacy policy, any opt outs, and applicable law.

The Order Approving Bid Procedures Should Preserve Certain Objections

32. The Debtor is proposing a unique transaction. As proposed by the Debtor, this Court should "approve" as part of an "integrated" transaction the releases provided to Disney, the Debtor's CEO, and other currently unidentified employees prior to the Petition Date for $5 million. Nothing in the order approving the bid procedures should prejudice rights with respect to pre-petition events.

33. As just one example, the Debtor is not currently offering for sale a release of its former employees from claims relating to noncompete agreements, claims arising out of breaches of fiduciary duties, or any other claims that have already been released. The Debtor's position is that these releases are final and unreviewable by the Bankruptcy Court, as they occurred prepetition. As such, the consideration provided by Disney for such releases is not being tested through the auction process. Nothing in the order approving the bid procedures should prevent an objection to the approval of this prepetition "sale" as being for less than equivalent value.[4] Likewise, objections to "approval" of the prepetition EPA as part of an "integrated" transaction should be preserved for the sale hearing.

34. In addition, the uniqueness of this proposed transaction mandates that creditors and other parties in interest must be able to object to approval of the sale to Disney on the grounds that the bid procedures did not result in a fair auction that would appropriately market test the value of the assets sold. Several aspects of the so-called "integrated" transaction appear to provide Disney with significant advantages that could chill bidding. At the same time, the Debtor should be able

[4] The Debtor may argue that the releases would benefit a winning bidder who hires employees from Disney as contemplated by the bid procedures. However, Disney may unilaterally designate up to 20% of the transferred employees as ineligible for retention by a winning bidder. Those employees are not currently identified. Furthermore, such transition would only be necessary if there is a sale of the Character.AI platform.

to market its existing assets to attempt to maximize value for all creditors. If as the Debtor and Disney suggest, the transaction was the necessary lifeline to permit maximization of value, and there are competing bidders and a robust auction, the Debtor may be able to establish that the process was fair at the sale hearing.

35. However, creditors and other parties cannot be foreclosed from objecting to approval of the transaction at the sale hearing. At present, no party knows which employees hired by Disney will be available for hire by a winning bidder, and parties in interest have only begun to consider whether the primary value of the "acqui-hire" transaction resides with the employees (and specifically, the employees that Disney will not permit a winning bidder to hire). At present, no party knows if a transition period limited to sixty days is sufficient to permit a buyer to replace the vast majority of the employees that ran the Debtor's operation. Additionally, it is presently unclear whether the release of Disney specifically as to the right of former Debtor employees to utilize the Debtor's IP and Technologies and know-how, which presumably would continue to protect Disney regarding the 20% of retained employees, will dissuade parties from purchasing the Debtor's business or reduce the price available for it. It is also unclear whether the required release that the winning bidder must provide to Disney is too onerous for the value being offered in return.

36. Since the prepetition transaction has closed, most of the employees have been hired by Disney, and the releases have been granted, those aspects of the auction process are fixed. The Debtor asserts that the Disney transaction was necessary to get them to this point and will enable them to maximize value of their assets. However, these appear to be real benefits to Disney that could depress the value of the Debtor's assets for any other party. The Debtor should be permitted

to continue the process, but parties in interest must retain the right to object to approval of a sale to Disney as currently contemplated by the stalking horse agreement.

CONCLUSION

WHEREFORE, the U.S. Trustee respectfully requests that this Court issue an order directing the appointment of a consumer privacy ombudsman, preserving certain objections to the proposed sale, resolving the U.S. Trustee's informal objections to the Bid Procedures Motion, and granting such other relief as this Court deems just.

Dated: October 27, 2026
Wilmington, Delaware

Respectfully submitted,

ANDREW R. VARA
UNITED STATES TRUSTEE
REGIONS 3 AND 9

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Exhibit “A”

Character.AI Privacy Policy

Character.AI Privacy Policy

Effective Date: July 1, 2026

This Privacy Policy (the "Privacy Policy" or "Policy") describes the types of information Character Technologies, Inc., and its affiliates ("Character.AI," "we," "our," or "us") collect and process from and about you.

Except as described below, the Policy applies to all websites, mobile applications, and any other electronic /digital products or other services that are made available by Character.AI and that link to this Policy, and our offline services (collectively, the "Services").

Undefined capitalized terms used in this Policy have the meaning set forth in the Character.AI Terms of Service.

For residents of the European Economic Area, the United Kingdom, or the United States: please refer to our Regional Privacy Disclosures for additional details that may be relevant to you.

1. Information We Collect

When you access or otherwise use our Services, we collect information from you. The types of information we collect depend on how you use our Services. Please note that we need certain types of information to provide the Services to you. If you do not provide us with such information, or if you ask us to delete that information, you may no longer be able to access or use certain Services. The information we collect includes data you directly provide to us, data we obtain automatically from your interactions with our Services, and data we obtain from other sources.

Information you provide directly to us. We collect information directly from you. For example, you provide us with information when you use the Services, communicate with us, register for an account, subscribe to our blog or newsletters, or participate in our community, social media discussions, or promotions. Information you provide directly to us may concern you and others and may include:

- Identifiers, such as your name, email address, phone number, display name, or username;
- Demographic information, such as your date of birth and general geolocation information;
- Interests, such as categories like "Sports" or "Writing;"
- Your preferences based on account settings, use of the Services, or feedback on the Services (from which we can also create inferences);

- Financial information, such as payment information and other information collected through our payment processing vendors;
- Commercial information, such as purchases and transaction history;
- Your content you submit, such as chat communications, posted images or videos, biography description, and shared Characters;
- Voice data, including recordings of your voice, if you chose to use certain voice features; and
- Contents of communications with us, such as customer support messages.

Information you provide directly to us might also include information that may be treated as sensitive under applicable laws, such as login credentials, personal communications received or sent using our Services, or other information about yourself that you choose to provide when using our Services (e.g., if you voluntarily post user content revealing your race, religion, or sexual orientation). Sensitive personal information is not required or necessary to use the Services – please do not include any sensitive personal information in your interactions with us or the Services.

Information we collect about your use of the Services. We and our third-party providers, which include advertising and analytics providers and other service providers, use cookies, web beacons, and other tracking technologies to collect information about your use of the Services). Please note that the specific tracking technologies and third-party providers may vary depending on where you are located and whether you access the Services via our websites or mobile applications. For more information about these technologies, please refer to our Cookie Policy.

As described further in the Cookie Policy, we use these technologies to collect and analyze device, Internet, and other electronic network activity information including information about your computer or device (e.g., device type; browser type; ISP or operating system; IP address; device identifiers such as IDFA, Android ID, etc.; version of our Services you are using); information about how you use and interact with the Services (e.g., domain name; access time; referring or exit pages; page views; Service-related identifiers such as User ID, Chat ID, Session ID, etc.; and actions taken within the Services); and geolocation data ("Technical Information").

Information we collect from other sources. We may also collect information from other sources, such as when you are referred to us by another user. In this context, we may receive your name and contact details. We may also receive information from third-party platforms, for example, such as when you interact with our ads on other platforms like YouTube, TikTok, or Reddit, or when you interact with our social media profiles on platforms like Facebook, Instagram, or Discord. Information we collect in this context includes information about how you interacted with our ads or the third-party platform; information about your device; demographic information (e.g., age, interests); and geolocation data.

We also collect information when you connect to your account using an account maintained by a third party, such as a social media account ("Third-Party Account"). The Services collect information about you from your Third-Party Accounts in accordance with your permissions. When you connect to us or log in through a Third-Party Account like Facebook or Google, we receive information from that third party identifying your account. Information we collect in this context includes third-party account details such as username or email address. We collect and store this information and use it to help you connect to the Services. Connecting your account to a Third-Party Account is completely optional, and you will have the opportunity to grant permission when you attempt to connect. You can revoke permission by logging into the Third-Party Account and disconnecting Character.AI from there, and through the native applications on your mobile device. Please note that if you revoke permission for a Third-Party Account, we may retain the information we collected previously from the Third-Party Account provider (but the accounts will not be linked going forward).

We also collect information that is available on the Internet or from other publicly available sources to evaluate and improve our Services, including for model training and development.

Information we collected during the initial development and training of our proprietary models. For more information about how we collect and use information to develop our large language models, and your choices with respect to that information where applicable, please see our Regional Privacy Disclosures as well as Support Center article. While such information was collected in connection with the initial development of Character.AI's proprietary large language models, we no longer carry out this processing.

2. How We Use the Information We Collect

We use information for the following purposes:

- Provide, administer, and operate the Services and our business;
- Generate and analyze inferences about use of the Services, such as your preferences and interests and trends about our Services (e.g., which portions of the Services are used most frequently, how users navigate the Services, and what our users like or do not like);
- Tailor the Services to your preferences and interests;
- Evaluate the success of advertising campaigns;
- Communicate with you, including to inform you about features or aspects of the Services we believe might be of interest to you;
- Communicate with you about changes to our terms, conditions, or policies; or to respond to your inquiries, comments, feedback, or questions;
- Analyze, maintain, improve, modify, customize, and measure the Services, including to train our artificial intelligence/machine learning models;
- Develop new features, algorithms and machine learning models, programs, and services;

- Provide advertising and recruit new users, including provision of tailored advertising;
- Authenticate your account credentials, as necessary to log you in to the Services and help protect the security of your account;
- Process payments;
- Detect and prevent fraud, criminal activity, or misuse of our Service, and to maintain the security of our IT systems, architecture, assets, customers, and networks; and
- Comply with legal obligations and legal process and to protect our rights, privacy, safety, or property, and/or that of our affiliates, you, or other parties, including to enforce our Terms of Service and any other agreements or policies.

We combine information that we collect through the Services with information that we obtain from other sources. We may also aggregate or anonymize information collected through the Services. We use and disclose aggregated or anonymized data for a number of purposes, including without limitation for research and marketing purposes. To the extent we anonymize any data originally based on personal information so that it is no longer reasonably linkable to an individual or household, we maintain and use such data in de-identified form and will not attempt to re-identify the data. Where necessary, we may process such data exclusively for verifying the effectiveness of the anonymization process, without enabling re-identification.

3. When We Disclose the Information We Collect

We disclose information in any of the following circumstances:

- **Affiliates**. We disclose information to our affiliates and subsidiaries, who may use the information we disclose in a manner consistent with this Policy.
- **Vendors and Service Providers**. We disclose information to employees, consultants, service providers, and other vendors who need access to such information to carry out work or perform services on our behalf, such as those who provide data storage, payment, technology support and services, customer service, analytics, fraud prevention, content moderation, legal services, and marketing and advertising services.
- **Safety and Protection of Character.AI and Others**. We may disclose certain information if we believe in good faith that doing so is necessary or appropriate to (i) protect or defend Character.AI or other parties, including to defend or enforce this Policy, our Terms of Service, our Community Guidelines or other policies, or any other contractual arrangement; and/or (ii) protect the rights, property or personal safety of Character.AI, our agents and affiliates, our employees, users and/or the public.
- **Advertising and Analytics**. We may disclose personal information to advertising and analytics providers in connection with the provision of tailored advertising, to monitor the performance of advertisements displayed on our behalf on the Services and across the Internet, to provide analytics services, and to help improve our Services. These entities may use cookies and tracking technologies to allow us to, among other things, track and analyze data, determine the popularity of certain content, deliver tailored advertising and content, and better understand your online activity. For more information about how we use cookies and tracking technologies, please see our Cookie Policy.
- **Your Content**. Certain actions you take might result in your content being made available to others, including the public. For example, if you create or share content, such as creating “public” Characters or a “public” Voice, we may make that content available and visible to others.

- **Legal Requirements**. We may disclose certain information if we believe in good faith that doing so is necessary or appropriate to comply with any law enforcement, legal, or regulatory process, such as to respond to a warrant, subpoena, court order, or other applicable laws and regulations.
- **Business Transfers**. We may disclose certain information, in connection with or during negotiations or closing of any merger, sale of company assets, financing, or acquisition of all or a portion of our business to another company.
- **Other Disclosures with Consent or at Your Direction**. We might make additional disclosures of your information to third parties when you direct us to do so. For example, where you direct us to disclose information about you when you refer us or our Services to your friends or other acquaintances.

4. Your Choices

We offer you certain choices regarding the collection, use, and disclosure of your personal information.

Profile information. You may delete your account through your account profile page. You may also verify, correct, update, or delete certain of your information through your account profile page.

Marketing communications. You can unsubscribe from marketing emails by following the directions in those emails. Please note that if you unsubscribe from marketing emails, we may still send you administrative emails regarding the Services, including, for example, notices of updates to our Terms of Service or this Policy.

Cookies. Depending on where you live and the options available on your device or browser, you may have the ability to manage the cookies in use. For more information, please refer to our Cookie Policy.

Rights to information about you. For more information about region-specific rights for residents of the European Economic Area, United Kingdom, and the United States, please refer to our Regional Privacy Disclosures. Depending on where you live and subject to applicable exceptions under local law, you may have the following rights:

- To request information about our processing of your personal information;
- To request access to and/or a copy of certain information we hold about you (including in a portable and/or machine-readable format);
- To object to how we process your personal information;
- To opt out of sales of personal information or targeted advertising;
- To update or correct your personal information;
- To request that we delete certain personal information we hold about you;
- To restrict how we process certain personal information about you;
- To request that we transfer your information to a third-party provider of services;
- To withdraw consent for the processing of your personal information, when under applicable laws you had previously provided consent; and
- The right not to be discriminated against for exercising your rights.

Please note that certain information may be exempt from such requests under applicable law. For example, we may retain certain information for legal compliance and to secure our Services. We may need certain information in order to provide the Services to you; if you ask us to delete it, you may no longer be able to use the Services.

If you would like information regarding your rights or would like to exercise any rights you may have under applicable law, contact us at https://support.character.ai/hc/en-us/requests/new, email us at privacy@character.ai or visit our Help Center at support.character.ai. To protect your privacy and security, we take reasonable steps to verify your identity and requests before granting such requests. If we are unable to verify your identity, we may be unable to respond to your requests.

5. Regional Privacy Disclosures

Depending on where you live, you may have specific rights or there may be certain information we need to make available to you. If you live in the European Economic Area, the United Kingdom, or the United States, please refer to our Regional Privacy Disclosures for additional information that may be relevant to you.

6. Children's Privacy

The Services are not designed for minors under 13, and our Terms of Service prohibit use by anyone under 13 or under 16 if you are a resident of the European Economic Area or the United Kingdom.

7. Data Retention

In General. We keep your information for the time necessary for the purposes for which it is processed or as otherwise described at the time the information is collected, unless a shorter retention period is required by law. The length of time for which we retain information depends on the purposes for which we collected and use it and your choices, after which time we may delete and/or aggregate it. We may also retain and use this information as necessary to comply with our legal obligations, resolve disputes, and enforce our agreements.

Popular Characters. If a Character you create has been made available to other users, then we reserve the right to preserve that Character's characteristics and to keep that Character active on the Services, even if you otherwise delete your data and your account. We do this to avoid impacting the experience of other users. To ensure that we do not retain information about you when this occurs, please avoid submitting any such information as part of the Character creation flow if you are creating a Character that you plan to make available to others.

8. Links to Third Party Websites

The Services may contain links to third-party websites or services. We are not responsible for the content or practices of those websites or services. The collection,

use, and disclosure of your information by third parties will be subject to the privacy policies of the third-party websites or services, and not this Policy. We urge you to read the privacy and security policies of these third parties before providing information to them.

9. Changes to this Policy

We may update this Policy from time to time. We will indicate the date of the most recent update in this Policy. If we make a material change to the Policy, you will be provided with appropriate notice in accordance with legal requirements such as by email or prominent posting on our website or mobile application. By continuing to use the Services, you are confirming that you have read and understood the latest version of this Policy.

10. Contact Us

If you have any questions about our Privacy Policy or information practices, please visit our Help Center at support.character.ai, email us at privacy@character.ai, or submit a request at https://support.character.ai/hc/en-us/requests/new. You can also write to us at:

Character.AI

#1152

700 El Camino Real

Suite 120

Menlo Park CA 94025

Exhibit “B”

Your Privacy Choices

This notice provides details about how residents of certain U.S. states can opt out of targeted advertising and "sales" of personal information to third parties. Please note that these options are provided where applicable under local law and may not be available in all regions.

Please note that laws in California and other states treat certain common disclosures of personal information to third parties as “sales” of information, even when no money changes hands. This may include personal information shared with third parties for purposes of targeted advertising. While these disclosures may be considered sales under certain state laws, we do not sell personal information for monetary consideration, and Character.AI is not a data broker.

To opt out of targeted advertising or the “sale” of personal information, click here. Check out our Privacy Policy and Regional Privacy Disclosures to learn more about our processing of your personal data.

Exhibit “C”

Regional Privacy Disclosures

Regional Privacy Disclosures

Effective Date: July 1, 2026

While our Privacy Policy and the privacy representations made in that policy apply to all data subjects (unless otherwise specified), the Regional Privacy Disclosures made in this notice provide additional information for data subjects located in the jurisdictions specified below and are intended to supplement the Privacy Policy.

- For residents of the United States, please refer to the U.S. State Privacy Notice below.
- For data subjects located in the European Economic Area or the United Kingdom, please refer to the European Economic Area & United Kingdom Privacy Notice below.

To develop the Services, CTI's proprietary large language models were trained primarily on publicly available data, including large-scale, third-party datasets and open-source collections, in line with common industry practices. We did not intentionally process or collect personal data for these initial model development and training purposes; any incidental inclusion of personal data in such datasets would have been unintended, and we did not process such data to identify individuals, build user profiles, or contact individuals. For further information on this initial training, see the information available in this Support Center article. To make our Services more helpful for you and other users, we train the AI systems and improve AI models that support our Services. Before processing the content you submit for such purposes we take steps to help safeguard your information, including disassociating information from the user's account information and removing directly identifiable information.

You have control over your personal data and can decide whether such data can be processed for these purposes. With specific regard to the processing of your personal data for the purpose of training and improving our AI models, you have the right to opt out at any time. You may exercise this right by following the instructions provided in this FAQ article.

U.S. State Privacy Notice

Effective: July 1, 2026

This U.S. State Privacy Notice ("Notice") provides additional information for residents of the United States. This Notice is intended to supplement our Privacy Policy to address state-specific transparency requirements and rights you may have under applicable state laws, depending on where you live.

Information We Collect & How We Use and Disclose It

Throughout our Privacy Policy, we discuss in detail the specific pieces of personal information and sensitive personal information we collect, the sources of that

information, and how we disclose it. In the preceding 12 months, we disclosed or shared the categories of personal information described in more detail in Section 1 of the Privacy Policy for the business purposes described in Section 2 of the Privacy Policy. Please note that laws in California and other states treat certain common disclosures of personal information to third parties as "sales" of information, even when no money changes hands. This may include personal information shared with third parties for purposes of targeted advertising. While these disclosures may be considered sales under certain state laws, we do not sell personal information for monetary consideration, and Character.AI is not a data broker. If you would like to opt out of "sales" or targeted advertising, please refer to the *Rights You May Have* section below. In the preceding 12 months, we disclosed personal information for business purposes and "sold" personal information to the following categories of recipients:

Category of Personal Information	**Recipients of Disclosures for a Business Purpose**	**Recipients of "Sales"**
Identifiers (such as name, email address, phone number, username, IP address, device identifiers, Service-related identifiers)	Vendors and service providers (e.g., data storage providers, content moderation providers, customer support providers, analytics, data management providers, payment providers, fraud prevention and security providers, experimentation providers, mobile measurement providers, push notification providers, email marketing providers), advertising providers, affiliates, other users (if you choose to make this information publicly available)	Advertising providers
Demographic information (such as date of birth, age)	Vendors and service providers (e.g., data storage providers, analytics providers, data management providers), advertising providers, affiliates	Advertising providers
Financial information (such as payment information and	Vendors and service providers (e.g., payment	n/a

Category of Personal Information	Recipients of Disclosures for a Business Purpose	Recipients of "Sales"
related details)	providers, data management providers), affiliates	
Commercial information (such as purchases, transaction history)	Vendors and service providers (e.g., payment providers, data management providers), affiliates	n/a
Geolocation data (i.e., approximate location based on IP address)	Vendors and service providers (e.g., data storage providers, analytics providers, data management providers), advertising providers, affiliates	Advertising providers
Audio or video information (such as voice recordings or pictures and videos you submit)	Vendors and service providers (e.g., data storage providers, content providers, content moderation providers, data analytics providers), affiliates, other users (if you choose to make this information publicly available)	n/a
Device, Internet, or other electronic network activity information (such as information about your device or browser; information about how you use and interact with the Services, our ads, or third-party sites or platforms)	Vendors and service providers (e.g., data storage providers, analytics providers, data management providers, fraud prevention and security providers, mobile measurement providers, push notification providers), advertising providers, affiliates	Advertising providers
Content and communications you submit (such as chat communications, posted images or videos, biography descriptions, shared	Vendors and service providers (e.g., data storage providers, content providers, content moderation providers, customer support providers, analytics providers, data management	n/a

Category of Personal Information	Recipients of Disclosures for a Business Purpose	Recipients of "Sales"
Characters, customer support messages)	providers, fraud prevention and security providers), affiliates, other users (if you choose to make this information publicly available)	
Inferences drawn from other personal information (such as preferences and interests)	Vendors and service providers (e.g., data storage providers, analytics providers, data management providers), advertising providers, affiliates	Advertising providers
Sensitive personal information (such as log-in credentials or information you voluntarily share when using the Services such as content revealing your race, religion, or sexual orientation)	Vendors and service providers (e.g., data storage providers, analytics providers, data management providers, content moderation providers), affiliates, other users (if you choose to make this information publicly available)	n/a

We may also disclose any or all of the categories of information listed above in the event of a sale or transfer of all or part of our business, in response to legal process, or in the interests of protecting rights or safety, as described in more detail in our Privacy Policy. Please note that our advertising practices may vary depending on where you are located and whether you access the Services via our websites or mobile applications. In some jurisdictions, we may provide targeted advertising to minors over the age of 13, which may include disclosures to third parties that are considered "sales" in some jurisdictions. Where applicable under local law, we obtain consent before providing targeted advertising or "selling" personal information of minors.

We process the categories of personal information identified above for the purposes as described in more detail in Section 2 of our Privacy Policy. We do not use or disclose your sensitive personal information for purposes other than permitted under applicable law.

Retention of Personal Information

We keep your information for the time necessary for the purposes for which it is processed or as otherwise described at the time the information is collected, unless a

shorter retention period is required by law. The length of time for which we retain information depends on the purposes for which we collected and use it and your choices, after which time we may delete and/or aggregate it. We may also retain and use this information as necessary to comply with our legal obligations, resolve disputes, and enforce our agreements. For more information about our data retention practices (including with respect to Characters you create and make public), please refer to Section 7 of our Privacy Policy.

Rights You May Have

Where applicable under state law and subject to applicable exceptions, you may have the following rights:

- To request information about our processing of your personal information;
- To request access to and/or a copy of certain information we hold about you (including in a portable and/or machine-readable format);
- To update or correct your personal information;
- To request that we delete certain personal information we hold about you, subject to certain exceptions;
- To opt out of targeted advertising or the sale of personal information to third parties;
- The right not to be discriminated against for exercising your rights; and
- The right to appeal our decision to deny your request, if applicable.

To exercise the rights you may have under applicable law (with the exception of the opt-out right; see below), contact us at https://support.character.ai/hc/en-us/requests/new, email us at privacy@character.ai, or visit our Help Center at support.character.ai. To protect your privacy and security, we take reasonable steps to verify your identity and requests. If we are unable to verify your identity, we may be unable to respond to your requests.

You may also be able to designate an authorized agent to make requests on your behalf. Authorized agents may submit requests using the methods described above. In order for an authorized agent to be verified, you must provide the authorized agent with signed, written permission to make such requests or a legally valid power of attorney. We may also follow up with you directly to verify your identity before processing the authorized agent's request, consistent with applicable law.

Where applicable under local law, if your request is denied, we will provide information about how to submit an appeal in our response denying the request.

To opt out of targeted advertising or the sale of personal information to third parties, please navigate to the Your Privacy Choices page and follow the directions.

Please refer to Section 4 of the Privacy Policy for more information about other choices or options you may have with respect to your information.

European Economic Area and United Kingdom Privacy Notice

Effective: July 1, 2026

This European Economic Area ("EEA") and United Kingdom ("UK") Privacy Notice provides additional information for data subjects in the EEA and UK that provide for

certain privacy rights and requirements specified under laws applicable in the EEA and UK, including the EU and UK General Data Protection Regulation ("GDPR") and UK Data Protection Act as amended.

Our Privacy Policy and the privacy controls we offer are in line with these laws, and this Notice is intended to supplement the Privacy Policy with additional EEA and UK-specific disclosures. For example, all users can access a copy of their data, request deletion, correct their personal data, and control what personal data they share in their account on our website or in the privacy settings in the mobile application. You have the right to object to our use of your personal data. With many types of data, we have provided you with the ability to delete it if you do not want us processing it anymore. For other types of data, you can stop the use of your data by disabling the feature altogether. You can do these things in your account settings on our website or directly in the mobile application. If there are other types of personal data you do not agree with us processing, you can contact us, using the contact information provided below. Please avoid providing any personal data related to third parties and only provide information about yourself, unless you have their express permission to do so.

Character Technologies, Inc. is considered the "data controller" of the "personal data" (as defined under the GDPR) we handle under our Privacy Policy. In other words, Character.AI is responsible for deciding how to collect, use, and disclose personal data, subject to applicable law. The laws of the EEA and the UK require data controllers to tell you about the legal ground that they rely on for using, sharing, or disclosing your personal data. To the extent those laws apply, our legal grounds are as follows:

- Contractual Commitments: We may use, share, or disclose personal data to honor our contractual commitments to you. For example, we will process your personal data to provide the Services, and to honor our commitments in any agreements that we have with you. When we process your personal data under the contractual basis, providing such data is required. If you do not provide the required personal data, you will not be able to use the Services.
- With Your Consent: Where required by law, and in some other cases, we use, share, or disclose personal data on the basis of your consent. If we ask for your consent to process your personal data, you may withdraw your consent at any time by contacting us using the details at the end of our Privacy Policy. Depending on the processing activities for which you do not grant your consent, or for which you later withdraw it, we may not be able to process your personal data for certain purposes. However, this will not affect your ability to use the Services. (Please note that if you withdraw your consent, this will not affect the processing activities that took place prior to your withdrawal of consent.)
- Legitimate Interests: In many cases, we use, share, or disclose personal data on the ground that it furthers our legitimate business interests in ways that are not overridden by the interests or fundamental rights and freedoms of the affected individuals, such as customer service, certain promotional activities, analyzing and improving our business and Services, providing security for the Services, preventing fraud, and managing legal issues. You have the right to object at any time, on grounds relating to your particular situation as further provided below under the section "Rights you might have".

- Legal Compliance: We need to use and disclose personal data to comply with our legal obligations, for example to carry out fraud prevention checks or comply with other legal or regulatory requirements, where this is explicitly required by law. When we process your personal data to comply with a legal obligation, providing such data is required. If you do not provide such required data, you will not be able to use the Services, as a whole or in part.

The processing of special categories of personal data – meaning data concerning health, racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, genetic data, biometric data used for identification, and data concerning a person's sex life or sexual orientation – is neither required nor necessary for the use of the Services. Accordingly, please do not include or share such data in your interactions with us or through the Services.

The following chart identifies for each processing purpose the applicable legal basis, as well as the relevant data processed:

Personal data processed	**Purpose**	**Legal basis**
Identifiers Demographic information Interests Your Preferences Your content you submit Voice data, if you chose to use certain voice features Technical information Information we collect from other sources	To personalise your experience across our Services, including: generating and analysing inferences about use of the Services, such as your preferences and interests and trends about our Services (e.g., which portions of the Services are used most frequently, how users navigate the Services, and what our users like or do not like); tailoring the Services to your preferences and interests (and sending you tailored communications if you provide your consent); and evaluating the success of advertising campaigns.	Legitimate interests (Article 6(1)(f) GDPR) in providing you with a better and customized user experience, by tailoring our Services

Personal data processed	Purpose	Legal basis
Contents of communications with us Your content you submit Technical information	To detect and prevent fraud, criminal activity, or misuses of our Services, and maintain the security of our IT systems, architecture, assets, customers, and networks.	Legitimate interests (Article 6(1)(f) GDPR) in protecting our Services from fraud, criminal activities or misuse, as well as protecting your experience when using the Services, and avoiding any harm to both us and you
All the information we collect in connection with your use of the Services that may be necessary for this purpose, which may include the information you provide directly to us, that we collect about your use of the Services and/or that we collect from other sources.	To protect our rights, privacy, safety, or property, and/or that of our affiliates, you, or other parties, including to enforce our Terms of Service and any other agreements or policies, as well as establish, exercise, or defend legal claims including sharing data with competent public authorities / courts for this reason.	Legitimate interests (Article 6(1)(f) GDPR) in protecting ourselves and our Services and avoiding any harm to both us and you being able to face / file legal actions
Identifiers Demographic information Your Preferences Your content you submit Voice data, if you chose to use certain voice features Technical information Contents of communications with us If you purchase any Services: Financial information Commercial information Information we collect from other sources	To provide, administer, and operate the Services, including: where needed and appropriate, and unless a specific consent is required depending on the means of verification, verifying your age to confirm you are eligible to use the Services and to provide an age-appropriate experience – as clarified in our Terms of Service in Section 6 of our Privacy Policy); allowing you to create your account and enabling authentication, as necessary to log you in to the Services; communicating with you about changes to	Contractual necessity (Article 6(1)(b) GDPR)

Personal data processed	Purpose	Legal basis
	our terms, conditions, or policies; responding to your inquiries, comments, feedback, or questions; and processing payments.	
All the information we collect in connection with your use of the Services that may be necessary for this purpose, which may include the information you provide directly to us, that we collect about your use of the Services and/or that we collect from other sources.	To analyse, maintain, improve, modify, customize, and measure the Services, including: to train our artificial intelligence/machine learning models; develop new features, algorithms and machine learning models, programs, and services. Such activities may not be carried out on a continuous basis and may vary depending on the evolving needs of the service and amount and type of data required, in line with applicable data protection principles. For further information on our AI training and model improvement activities see the introduction of the Regional Privacy Disclosures.	Legitimate interests (Article 6(1)(f) GDPR) in developing and improving our Services
Identifiers Demographic information Your Preferences Interests Your content you submit Voice data, if you chose to use certain voice features Technical information Information we collect from other sources	To carry out advertising activities, including: recruiting new users; sending you advertising communications, including to inform you about features or aspects of the Services we believe might be of interest to you (sending tailored advertising); and communicating with you	Consent (where legally required) (Article 6(1)(a) GDPR)

Personal data processed	Purpose	Legal basis
	about your responses to user feedback and survey questionnaires.	
All the information collected while you use the Services, required to comply with legal obligations (such as, if you purchase any Services, Financial information and Commercial information to comply with tax obligations)	To comply with legal obligations and legal process (including verifying your age to confirm you are eligible to use the Services and to provide an age-appropriate experience), as well as to share data with competent authority, where mandatory.	Compliance with a legal obligation (Article 6(1)(c) GDPR)

Rights you might have. Where applicable under local law and subject to applicable exceptions, you have the following rights regarding your personal data:

- To obtain confirmation as to whether or not we process personal data concerning you, and, where that is the case, to request access to such data and other information provided by the GDPR and a copy of the information we hold about you (including in a portable and/or machine-readable format) – right of access;
- To object at any time to how we process your personal information on grounds relating to your particular situation, where the processing is based on our legitimate interest. In this event, we will no longer process the personal data unless we demonstrate compelling legitimate grounds for the processing which override your interests, rights and freedoms or for the establishment, exercise or defence of legal claims – right to object;
- To update or correct your personal information, including having your incomplete personal data completed – right to rectification;
- To request that we delete certain personal information we hold about you, unless we can demonstrate that the relevant processing is necessary for – among others – compliance with a legal obligation, as well as for the establishment, exercise or defence of legal claims – right to erasure;
- To restrict how we process certain personal information about you, where the conditions provided under the GDPR are met – right to restriction of processing;
- To receive your personal data in a structured, commonly used and machine-readable format, to transmit those data to another controller and to request that we transfer your information to a third-party provider of services, where technically feasible – right to data portability;
- To withdraw your consent at any time (where you have provided consent for the processing of your personal data) – right to withdraw consent; and
- To lodge a complaint with the competent supervisory authority, in particular in the Member State of your habitual residence, place of work or place of the alleged infringement – right to lodge a complaint.

If you have a complaint or concern about your personal data (including how we carry out age verification activities), or to exercise your rights, we encourage you to contact us first, and we will do our very best to resolve your concern or fulfill your request. You can

submit inquiries to https://support.character.ai/hc/en-us/requests/new, via email at privacy@character.ai, or via mail at:

Character.AI #1152 700 El Camino Real Suite 120 Menlo Park CA 94025

To withdraw consent to certain tailored advertising or the placement of cookies and similar tracking technologies, please refer to our Cookie Policy and follow the instructions.

European Union Representative. VeraSafe Ireland Ltd. has been appointed as our representative in the European Union for data protection matters. In addition to contacting us, if you are located in the European Union, you may also contact VeraSafe Ireland about matters relating to our processing of personal data. You can contact VeraSafe Ireland as follows:

- Online: https://verasafe.com/public-resources/contact-data-protection-representative
- Telephone: +420 228 881 031
- Post: VeraSafe Ireland Ltd.
  Unit 3D North Point House
  North Point Business Park
  New Mallow Road
  Cork 123AT2P
  Ireland

United Kingdom Representative. VeraSafe United Kingdom Ltd. has been appointed as our representative in the United Kingdom for data protection matters. In addition to contacting us, if you are located in the United Kingdom, you may also contact VeraSafe United Kingdom about matters relating to our processing of personal data. You can contact VeraSafe United Kingdom as follows:

- Online: https://verasafe.com/public-resources/contact-data-protection-representative
- Telephone: +44 (20) 4532 2003
- Post: VeraSafe Ireland Ltd.
  Unit 3D North Point House
  North Point Business Park
  New Mallow Road
  Cork 123AT2P

Retention of Personal Information. We keep your information for the time necessary for the purposes for which it is processed or as otherwise described at the time the information is collected, unless a different retention period is required by law. The length of time for which we retain information depends on:

- the purposes for which we collected and used it (e.g., we will process and store your identifiers for as long as your account is active, and you use the Services);
- your choices, as we will process certain personal data for shorter periods if you withdraw your consent (when requested) or object to the processing as explained above;
- compliance with a legal obligation (as some laws require us to store data for certain periods of time such as for tax purposes); and

- whether and what information is needed to resolve disputes, and enforce our agreements.

International transfers. Our services are global, and your information may be stored and processed in the U.S. and other countries outside the U.S. that may have data protection laws that differ from the laws in your country, and data may be accessible to law enforcement and national security authorities under certain circumstances.

For data subjects in the EEA and the UK, where your information is stored and processed in a country outside the EEA and the UK, we rely on valid transfer mechanisms to comply with the GDPR and applicable data protection law (adopting required technical and organisational measures), such as the European Commission's adequacy decisions, when transferring your Personal Data to any country that has been considered to provide an adequate level of protection.

You can contact us at any time to have more information on the safeguards adopted, including how to obtain a copy of them or where they have been made available.

Exhibit “D”

How do I manage/update my model training settings?

character.ai Updated 1 year ago Follow

As we explain in our Privacy Policy, we retain certain data that you share with us to help train and improve our AI models. This helps make Character.AI better for you and everyone who uses it. For example, user-generated content can help us improve the creative writing qualities and functionality of our models and improve the AI-driven conversational experience.

Before we use data to improve and train our generative AI models, we take steps to reduce the amount of personal information that may be included in our training dataset.

If you are in the European Economic Area ("EEA") or the United Kingdom ("UK"), and you would like to opt out of us using your chat content to train our generative AI models, you can follow the steps below.

On App:

1. Log into your Character.ai account.
2. Navigate to Settings.
3. Select "Data & Privacy".
4. De-Select "Improve the Model for Everyone".

On Web:

1. Log into your Character.ai account.

2. Navigate to Settings.
3. Select “Account”.
4. Select “Manage Account & Data”.
5. Select “Model Improvement”.
6. De-Select “Improve the Model for Everyone”.

Once you opt out, new content will not be used to train our generative AI models. You can still provide feedback to us about your interactions with characters (e.g., through the thumbs up/down or reporting content), and we still may use your data to improve other aspects of our services like search, recommendations, and safety classifiers.

If you have any questions you can submit inquiries to https://support.character.ai/hc/en-us/requests/new via email at privacy@character.ai.

related to: FAQ

Was this article helpful?

Yes No

56 out of 89 found this helpful

Share via:

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 27, 2026, I caused to be served a copy of this Objection by electronic service on the registered parties via the Court's CM/ECF system and upon the following parties via electronic mail:

Wilson Sonsini Goodrich & Rosati, P.C.
222 Delaware Avenue, Suite 800
Wilmington, DE 19801
Attn: Erin R. Fay (efay@wsgr.com)
Shane M. Reil (sreil@wsgr.com)
Heather P. Lambert (hlambert@wsgr.com))

/s/ Linda J. Casey
Linda J. Casey