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14 **SUPERIOR COURT OF ARIZONA**
15 **IN MARICOPA COUNTY**

16 STATE OF ARIZONA, *ex rel.* KRISTIN K.
17 MAYES, Attorney General,

18 Plaintiff,

19 v.

20 COX ENTERPRISES, INC.; COX
COMMUNICATIONS INC.; COXCOM, LLC;
COX COMMUNICATIONS ARIZONA, LLC;
COX ARIZONA TELCOM, L.L.C.

21 Defendants.

Case No. **CV2023-019752**
COMPLAINT

22 1. Plaintiff, State of Arizona *ex rel.* Kristin K. Mayes, the Attorney General (the
23 “State”), alleges the following for its Civil Complaint (the “Complaint”) against Defendants Cox
24 Enterprises, Inc., Cox Communications Inc., CoxCom, LLC, Cox Communications Arizona,
25 LLC, and Cox Arizona Telcom, L.L.C. (collectively, “Cox” or “Defendants”).

26 **JURISDICTION AND VENUE**

27 2. The State brings this action pursuant to the Arizona Consumer Fraud Act, Arizona
28 Revised Statutes (“A.R.S.”) §§ 44-1521 to -1534, to obtain injunctive relief to permanently

1 enjoin and prevent the unlawful acts and practices alleged in this Complaint, and to obtain other
2 relief, including restitution, disgorgement of profits, gains, gross receipts, or other benefits, civil
3 penalties, and costs and attorneys' fees.

4 3. This Court has subject-matter jurisdiction.

5 4. This Court may issue appropriate orders both prior to and following a
6 determination of liability pursuant to A.R.S. § 44-1528.

7 5. Defendants caused events to occur in this state out of which the claims which are
8 the subject of this Complaint arose.

9 6. Venue is proper in Maricopa County pursuant to A.R.S. § 12-401(17).

10 **PARTIES**

11 7. Plaintiff is the State of Arizona *ex rel.* Kristin K. Mayes, the Attorney General of
12 Arizona, who is authorized to bring this action under the Arizona Consumer Fraud Act (the
13 "CFA"), A.R.S. §§ 44-1521 to -1534.

14 8. Defendant Cox Enterprises, Inc. is a Delaware corporation incorporated on
15 December 13, 1968 with its principal place of business at 6205 Peachtree Dunwoody Rd.,
16 Atlanta, GA 30328

17 9. Defendant Cox Communications, Inc., a wholly owned subsidiary of Cox
18 Enterprises, Inc., is a Delaware corporation that incorporated on May 19, 1994, with its principal
19 place of business at 6205 Peachtree Dunwoody Rd., Atlanta, GA 30328.

20 10. Defendant CoxCom, LLC, a wholly owned subsidiary of Cox Communications,
21 Inc., is a Delaware limited liability company that incorporated on July 15, 1995, with its principal
22 place of business at 6205 Peachtree Dunwoody Rd., Atlanta, GA 30328.

23 11. Defendant Cox Communications Arizona, LLC, a wholly owned subsidiary of
24 CoxCom, LLC, is a Delaware limited liability company incorporated on August 12, 2011.

25 12. Defendant Cox Arizona Telcom, L.L.C., a wholly owned subsidiary of Cox
26 Communications Arizona, LLC, is a Delaware limited liability company that incorporated on
27 June 5, 1997.

1 **ALLEGATIONS**

2 The State alleges that Defendants engaged in the following conduct:

3 13. Cox, through Cox Communications Arizona, LLC and its predecessor entities, has
4 offered cable television services to Arizonans since at least 1994.

5 14. As part of Cox’s cable television service, Cox retransmits the live broadcasts of
6 certain local broadcast stations, such as ABC, CBS, Fox, and NBC, among others. While these
7 stations’ broadcasts are available at no cost to the public via over-the-air transmission, federal
8 law prohibits a cable television provider from retransmitting such broadcasts without the consent
9 of the originating station. To obtain the “retransmission consent,” Cox negotiates agreements
10 with the originating stations, which may require Cox to pay money and other consideration in
11 exchange for the right to retransmit the broadcasts to Cox customers.

12 15. Since at least 1994, Cox has continuously offered cable television packages in
13 Arizona featuring one or more Regional Sports Networks (“RSNs”), including a network owned
14 by Cox that formerly operated as an RSN, known at times as the “Arizona Sports Programming
15 Network” and “Cox Sports,” among other names. Other RSNs not owned by Cox have included
16 Fox Sports Arizona, Bally Sports, and Pac-12 Network, among others. RSNs often have
17 exclusive rights to regional sports content.

18 16. Cox negotiates agreements with the RSNs, which require Cox to pay money and
19 other consideration in exchange for the right to provide the RSN’s sports content to Cox
20 customers.

21 17. In January 2015, Cox began charging its Arizona cable television customers a
22 \$4.00 per-month “Broadcast Surcharge Fee” (“BSF”) in connection with its provision of local
23 broadcast stations. Prior to 2015, Cox’s costs associated with local broadcast stations were
24 included base pricing. Between January of 2017 and November of 2022, Cox increased the per-
25 month BSF charge in January of each year as well as in November of 2022, for a total of seven
26 increases. As of October 2023, the BSF charge is \$22.00 per-month.

27 18. In January 2017, Cox began charging its Arizona cable television customers with
28 cable packages that included one or more RSNs a \$6.00 per-month “Regional Sports Surcharge”

1 (“RSS”) in connection with the provision of those networks. Prior to 2017, Cox’s costs associated
2 with RSNs were included in base pricing of packages that included RSNs. Between January of
3 2019 to November of 2022, Cox increased the per-month RSS charge in January of each year
4 and in November of 2022, for a total of five increases. As of October 2023, the RSS charge is
5 \$10.00 per-month.

6 19. Between 2015 and March 2021, Cox advertised pricing for services in Arizona that
7 regularly failed to include the BSF and RSS, and only stated that advertised prices excluded
8 “taxes, surcharges, and other fees.”

9 20. Since at least August 14, 2014, Cox has advertised and offered some combination
10 of Price Lock Guarantee, Service Agreements, and Term Agreements (collectively “Term
11 Agreements”) for residential cable television services to Arizonans. Term Agreements function
12 as contracts between Cox and its Arizona customers that run for 12 or 24-month periods. Prior
13 to March 23, 2021, Term Agreements for residential cable television services included terms that
14 allowed Cox to charge an Early Termination Fee if a customer changed or canceled cable service
15 before the expiration of the term of the agreement, unless certain exceptions applied.

16 21. Between 2015 and March 2021, Cox advertised a “Price Lock Guarantee” and other
17 promises of fixed pricing for customers who entered into Term Agreements.

18 22. In fact, Cox Term Agreements, including the “Price Lock Guarantee” agreement,
19 provided a customer with a “Protected Retail Rate,” which only provided that, during the length
20 of the agreement, Cox would not charge a customer more than Cox’s published regular month-
21 to-month, non-promotional retail rate in effect as of the first day of the Term Agreement. The
22 “Protected Retail Rate” is defined by Cox to exclude taxes, fees, surcharges, discounts, and
23 promotional pricing.

24 23. Because Term Agreements offered between 2015 and March 2021 (even those
25 advertised as providing a “Price Lock Guarantee”) did not provide fixed overall pricing inclusive
26 of surcharges, Cox could change the amount of surcharges such as the BSF and RSS, resulting
27 in a change to the overall amount charged to customers on Term Agreements. The BSF and RSS
28 typically increased on a yearly basis as described in ¶¶ 17–18.

1 limited to:

- 2 a. Cox engaged in deceptive and unfair acts and practices by using a “Price Lock
3 Guarantee” and other promises of fixed-pricing to entice customers to enter into
4 Term Agreements for services, but then regularly increased Cox-imposed
5 television fees, which deceptively and unfairly increased the overall price for
6 Cox customers in Arizona and;
- 7 b. Cox’s advertising, billing statements, and representations relating to CCRF
8 charges associated with its long-distance telephone services constituted
9 deceptive and unfair acts or practices because Cox misleadingly implied or
10 suggested that the CCRF was a tax or government fee by listing the fee
11 alongside government Taxes, Fees, and Surcharges.

12 32. While engaging in the acts and practices alleged in this Complaint, Defendants
13 knew or should have known that that their conduct was of the nature prohibited by A.R.S. § 44-
14 1522, subjecting themselves to enforcement and penalties as provided in A.R.S. § 44-1531(A).

15 33. With respect to the concealments, suppressions, or omissions of material fact
16 described above, Defendants did so with intent that others rely on such concealments,
17 suppressions, or omissions.

18 34. With respect to the unfair acts and practices described above, these acts and
19 practices caused or were likely to cause substantial injuries to consumers that were not reasonably
20 avoidable by consumers and were not outweighed by countervailing benefits to consumers or to
21 competition.

22 **PRAYER FOR RELIEF**

23 WHEREFORE, the State respectfully requests that the Court:

24 35. Pursuant to A.R.S. § 44-1528(A)(1), issue a permanent injunction in accordance
25 with Ariz. R. Civ. P. 65(d)(1), enjoining and restraining (a) Defendants, (b) their officers, agents,
26 servants, employees, attorneys, and (c) all persons in active concert or participation with anyone
27 described in part (a) or (b) of this paragraph, directly or indirectly, from engaging in deceptive,
28 misleading, or unfair acts or practices, or concealments, suppressions, or omissions, that violate

1 the CFA, A.R.S. § 44-1522(A), including specific injunctive relief barring Defendants from
2 engaging in the unlawful acts and practices set forth above;

3 36. Pursuant to A.R.S. § 44-1528(A)(2), order Defendants to restore to all persons in
4 interest any monies or property, real or personal, which may have been acquired by any means
5 or any practice in this article declared to be unlawful;

6 37. Pursuant to A.R.S. § 44-1528(A)(3), order Defendants to disgorge all profits, gains,
7 gross receipts, or other benefits obtained as a result of their unlawful acts alleged herein;

8 38. Pursuant to A.R.S. § 44-1531, order Defendants to pay to the State of Arizona a
9 civil penalty of up to \$10,000 for each willful violation of A.R.S. § 44-1522;

10 39. Pursuant to A.R.S. § 44-1534, order Defendants to reimburse the State for its costs
11 and attorneys' fees incurred in the investigation and prosecution of Defendants' activities alleged
12 in this Complaint;

13 40. Pursuant to A.R.S. § 44-1201, require Defendants to pay pre-judgment and post-
14 judgment interest to the State and all consumers;

15 41. Award the State such further relief the Court deems just and proper under the
16 circumstances.

17 42. DATED this 15th day of December, 2023.

18 KRISTIN K. MAYES
19 Attorney General

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21 By: /s/ Nathan Whelihan
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