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9 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
10 **IN AND FOR THE COUNTY OF MARICOPA**

11 In Re: CELLCO PARTNERSHIP d/b/a
12 VERIZON WIRELESS

Case No.: _____

13 Respondent.

ASSURANCE OF DISCONTINUANCE

15 The Attorney General of the State of Arizona (the “Attorney General” or “Arizona
16 Attorney General”) and Respondent, Cellco Partnership d/b/a Verizon Wireless (“Carrier” or
17 “Verizon”) hereby agree to this Assurance of Discontinuance (“Assurance”) pursuant to
18 Arizona Revised Statutes (“A.R.S.”) § 44-1530 of the Arizona Consumer Fraud Act, A.R.S.
19 §§ 44-1521 to 44-1534.

20 **I. BACKGROUND**

21 1. The Attorneys General are responsible for enforcing their respective unfair and
22 deceptive acts and practices laws and other consumer protection laws in their respective
23 states and commonwealths.

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- 1 2. Carrier is a partnership organized under the laws of the state of Delaware with its
2 principal place of business located at One Verizon Way, Basking Ridge, New Jersey,
3 07920. Carrier is a leading provider of mobile telephone services.
4
- 5 3. The Attorneys General allege that the practice of placing charges on Consumers’
6 mobile telephone bills that have not been authorized by Consumers, known as
7 “cramming,” is a major national problem.
- 8 4. The Attorneys General allege that Consumers who have been “crammed” often
9 complain about charges, typically \$9.99 per month, for “premium” text message
10 subscription services such as horoscopes, trivia, and sports scores that they have never
11 heard of or requested.
- 12 5. The Attorneys General allege that cramming occurs when Carrier places charges on
13 Consumers’ mobile telephone bills for Third-Party Products without Consumers’
14 knowledge and/or authorization.
- 15 6. The Attorneys General allege that many Consumers are unaware that their mobile
16 telephones can be used to make payments for Third-Party Products, and that
17 Consumers often pay Unauthorized Third-Party Charges without the knowledge that
18 the charges have been placed on their mobile telephone bills.
- 19 7. Although Carrier denies any liability based upon the allegations above, in order to
20 resolve this dispute, Carrier has agreed to the terms of this Assurance.

21 **II. DEFINITIONS**

- 22 8. The following definitions shall apply for purposes of this Assurance:
- 23 a. “Account Holder” means any individual or entity who is or was responsible for
24 paying all charges associated with all lines on that individual’s or entity’s mobile
25 phone account with Carrier.

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- 1 b. “Attorneys General”¹ means the Attorneys General, or their designees, of the
2 Participating States.
- 3 c. “Bill” means a Consumer’s mobile telephone bill or prepaid mobile account, as
4 applicable.
- 5 d. “Block” means a restriction placed on a Consumer’s account that prevents one
6 or more lines from being used to purchase Third-Party Products and from
7 being billed for Third-Party Charges on the Consumer’s Bill.
- 8 e. A statement is “Clear and Conspicuous” if it is disclosed in such size, color,
9 contrast, location, duration, and/or audibility that it is readily noticeable,
10 readable, understandable, and/or capable of being heard. A statement may not
11 contradict or be inconsistent with any other information with which it is
12 presented. If a statement materially modifies, explains or clarifies other
13 information with which it is presented, then the statement must be presented in
14 proximity to the information it modifies, explains or clarifies, in a manner that
15 is readily noticeable, readable, and understandable, and not obscured in any
16 manner. In addition:
- 17 i. an audio disclosure must be delivered in a volume and cadence
18 sufficient for a Consumer to hear and comprehend it;

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20
21 ¹ “Attorney General” means and “Attorneys General” shall include, as it relates to Georgia, the Administrator of the Fair
22 Business Practices Act of 1975 (“FBPA”), appointed pursuant to O.C.G.A. 10-1-395, who is statutorily authorized to
23 enforce FBPA. With respect to Utah, the term “Attorney General” means counsel to the Utah Division of Consumer
24 Protection, the state agency that is statutorily authorized with administering and enforcing the statutes listed in Utah Code
25 Ann. § 13-2-6, including the Utah Consumer Sales Practices Act, Utah Code Ann. § 13-11-1, *et seq.* Hawaii is represented
26 by its Office of Consumer Protection, an agency that is not part of the state Attorney General's Office, but which is
 statutorily authorized to undertake consumer protection functions, including legal representation of the State of Hawaii.
 With regard to New Jersey, the Attorney General, pursuant to *N.J.S.A. 52:17A-4*, is charged with the responsibility of
 enforcing the Consumer Fraud Act *N.J.S.A. 56:8-1 et seq.* (“CFA”). The Director of the New Jersey Division of Consumer
 Affairs, pursuant to *N.J.S.A. 52:17B-124*, is charged with the responsibility of administering the CFA. References to
 “Attorneys General,” “parties,” or “States,” with respect to New Jersey, include the Director of the New Jersey Division of
 Consumer affairs. Connecticut is represented by the Connecticut Attorney General, acting as the authorized representative
 of the Connecticut Commissioner of Consumer Protection.

- 1 ii. a television or internet disclosure must be of a type size, location, and
2 shade and remain on the screen for a duration sufficient for a Consumer
3 to read and comprehend it based on the medium being used;
4 iii. a disclosure in a print advertisement or promotional material, including,
5 but without limitation, a point of sale display or brochure materials
6 directed to a Consumer, must appear in a type size, contrast, and
7 location sufficient for a Consumer to read and comprehend it; and
8 iv. a text message disclosure must be of a type size and format, to the
9 extent controlled by the sender, so that a Consumer can notice and read
10 it on their mobile devices, and hyperlinks included as part of the text
11 message should be clearly labeled or described.

12 f. “Commercial PSMS” means the use of PSMS to bill for Third-Party Products.

13 g. “Consumer” means a current or former subscriber or purchaser of Third-Party
14 Products for which Third-Party Charges are or were placed on the Consumer’s
15 Bill, whether that person is the individual responsible for paying the Bill or has
16 a device that is billed to a shared account, and is a resident of one of the
17 Participating States. “Consumer” does not include any business entity or any
18 state, federal, local, or other governmental entity, if (1) the business entity or
19 government entity, and not the employees or individuals working for or with
20 that business entity or government entity, is solely liable to Carrier for payment
21 of all charges billed on that account, and (2) the ability to process Third-Party
22 Charges through that account is not available unless the business entity or
23 government entity affirmatively requests that certain or all mobile devices be
24 provided the ability to authorize placement of such Third-Party Charges.

25 h. “Effective Date” means the date that the Stipulated Final Judgment and Order
26 in the case captioned Consumer Financial Protection Bureau v. Celco

1 Partnership d/b/a Verizon Wireless (“CFPB Stipulated Order”) is entered by
2 the District Court for the District of New Jersey. Provided, however, this
3 agreement is binding upon execution.

4 i. “Express Informed Consent” means an affirmative act or statement giving
5 unambiguous assent to be charged for the purchase of a Third-Party Product
6 that is made by a Consumer after being provided a Clear and Conspicuous
7 disclosure of material facts.

8 j. “Participating States” means the following states and commonwealths:
9 Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut,
10 Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas,
11 Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota,
12 Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New
13 Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio,
14 Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South
15 Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West
16 Virginia, Wisconsin, and Wyoming, as well as the District of Columbia.

17 k. “Premium Short Messaging Service,” or “PSMS,” means a service that
18 distributes paid content to a Consumer using the Short Message Service
19 (“SMS”) and Multimedia Messaging Service (“MMS”) communication
20 protocols via messages that are routed using a Short Code, resulting in a Third-
21 Party Charge.

22 l. “Short Code” means a common code leased from the CTIA Common Short
23 Code Administration that is composed of a set of numbers, usually 4 to 6
24 digits, to and from which text messages can be sent and received using a
25 mobile telephone.
26

1 m. "Third Party" means an entity or entities, other than Carrier, that provides a
2 Third-Party Product to Consumers for which billing is made through Carrier's
3 Bills.

4 n. "Third-Party Charge" means a charge for the purchase of a Third-Party
5 Product placed on a Consumer's Bill.

6 o. "Third-Party Product" means content or services offered or sold by a Third
7 Party that can be used on a mobile device, for which charges are placed on the
8 Consumer's Bill or deducted from a prepaid account by Verizon. "Third-Party
9 Product" excludes contributions to charities, candidates for public office,
10 political action committees, campaign committees, campaigns involving a
11 ballot measure, or other similar contributions. "Third-Party Product" also
12 excludes white label products and co-branded or co-marketed products where
13 goods and services are offered or sold jointly and cooperatively by Verizon and
14 a Third Party, where the charge for such goods or services is placed on the
15 Consumer's Bill; and where Verizon is responsible for accepting complaints,
16 processing refunds, and other communications with the Consumer regarding
17 the charge. "Third-Party Product" also excludes equipment protection services,
18 including mobile device insurance and extended warranty offerings.

19 p. "Unauthorized Third-Party Charge" means a Third-Party Charge placed on a
20 Consumer's Bill without the Consumer's Express Informed Consent.

21 **III. APPLICATION**

22 9. The provisions of this Assurance shall apply to Carrier and its officers, employees,
23 agents, successors, assignees, merged or acquired entities, wholly-owned subsidiaries,
24 and all other persons or entities acting in concert or participation with any of them,
25 who receive actual notice of this Assurance, regarding Carrier's placement of Third-
26 Party Charges in the Participating States.

1 **IV. ASSURANCE TERMS**

2 10. Commercial PSMS: Carrier shall not make available to Consumers the option to
3 purchase Third-Party Products through Commercial PSMS and shall not bill charges
4 for Commercial PSMS.

5 11. Authorization of Third-Party Charges: Carrier shall obtain Express Informed Consent
6 before a Consumer is billed for any Third-Party Charge. The Consumer's Express
7 Informed Consent may be provided to Carrier or to another person or entity obligated
8 to Carrier to obtain such consent. Carrier or such other person or entity shall retain
9 sufficient information to allow such consent to be verified. If Express Informed
10 Consent is not directly collected by Carrier, Carrier shall implement reasonable
11 policies and practices² to confirm Express Informed Consent shall be appropriately
12 collected and documented by the person or entity obligated to do so, and shall monitor
13 and enforce those policies and practices to confirm Express Informed Consent is
14 appropriately collected and documented, and where Express Informed Consent has
15 not been appropriately collected and documented, shall require remedial action
16 (which may include, for example, suspension, proactive credits, or retraining) or cease
17 placing such charges on Consumers' Bills.

18 12. Purchase Confirmation for Third-Party Charges: Beginning no later than July 1, 2015,
19 Carrier shall implement a system whereby the Consumer (and, for multiline accounts,
20 the Account Holder, if designated) will be sent a purchase confirmation, separate from
21 the Bill, of every Third-Party Charge, including recurring charges, that will appear on
22 his or her Bill. Such purchase confirmation shall be sent within a reasonable time
23 following the purchase of a Third-Party Product or the recurrence of a Third-Party
24

25 ² For purposes of this Paragraph, for charges incurred through operating system storefronts, such reasonable policies and
26 practices may, for example, consist of Carrier or its agents making a statistically valid random sample of purchases to
demonstrate whether the storefront is collecting Express Informed Consent consistent with this Assurance. Such policies
and practices shall be fully implemented by Verizon no later than July 1, 2015.

1 Charge, and shall identify Blocking options that Carrier makes available to
2 Consumers and/or provide access to such information. For multiline accounts, Carrier
3 may provide the Account Holder the option to elect not to receive such purchase
4 confirmations for purchases made on other lines.

5 13. Information on Blocking: Beginning no later than July 1, 2015, Carrier shall provide a
6 Clear and Conspicuous disclosure about Third-Party Charges and Blocking options in
7 informational material provided to Consumers at or near the time of subscribing to or
8 activating service, to the extent Third-Party Charges are offered and available with the
9 service, and which is provided in a context separate from the actual subscriber
10 agreement document. Such disclosure shall include or provide access to a description
11 of Third-Party Charges, how Third-Party Charges appear on Bills, and options
12 available to Consumers to Block Third-Party Charges. Consumers shall not incur any
13 data or text charges for receiving or accessing the information discussed in this
14 Paragraph.

15 14. Billing Information and Format: No later than September 1, 2015:

- 16 a. All Third-Party Charges shall be presented in a dedicated section of the
17 Consumer's Bill (or in a dedicated section for each mobile line on the account,
18 if the Bill sets forth charges by each line) and shall be set forth in such a
19 manner as to distinguish the Third-Party Charges contained therein from
20 Carrier's service, usage and other charges. This section of the Consumer's Bill
21 shall contain a heading that Clearly and Conspicuously identifies that the
22 charges are for Third-Party Products; and
- 23 b. The Third-Party Charge billing section required by this Paragraph 14 shall
24 include a Clear and Conspicuous disclosure of a Consumer's ability to Block
25 Third-Party Charges, including contact and/or access information that
26 Consumers may use to initiate such Blocking. If Carrier includes a Third-Party

1 Charge billing section for each mobile line on the account, the Carrier shall
2 have the option to include the disclosure of a Consumer's ability to Block
3 Third-Party Charges in only the first Third-Party Charge billing section that
4 appears on the Bill, rather than in all Third-Party Charge billing sections.

5 15. Consumer Contacts: When a Consumer contacts Carrier with regard to a Third-Party
6 Charge incurred after the Effective Date, or a Block, Carrier shall:

7 a. provide the Consumer with access to a customer service representative who
8 has access to the Consumer's account information for at least the prior twelve
9 (12) months;

10 b. beginning no later than September 15, 2015, for any Consumer who claims he
11 or she did not authorize a Third-Party Charge incurred after the Effective Date:

12 i. For disputed Third-Party Charges (either a single charge or recurring
13 charge) initially incurred within the prior twelve (12) months, either (1)
14 provide the Consumer a full refund or credit of any and all disputed
15 Third-Party Charges not previously credited or refunded to the
16 Consumer, or (2) deny a refund if Carrier has information demonstrating
17 that the Consumer provided Express Informed Consent to the Third-
18 Party Charge, offers to provide such information to the Consumer, and,
19 upon request, provides such information to the Consumer.

20 ii. For disputed Third-Party Charges (either a single charge or a recurring
21 charge) initially incurred more than twelve (12) months prior to when
22 the Consumer contacted Carrier, within 10 business days from receipt of
23 the claim, either (1) provide the Consumer a full refund or credit of any
24 and all disputed Third-Party Charges not previously credited or
25 refunded to the Consumer, or (2) deny a refund if Carrier has
26 information demonstrating that the Consumer provided Express

1 Informed Consent to the Third-Party Charge, offers to provide such
2 information to the Consumer, and, upon request, provides such
3 information to the Consumer. This subparagraph (b)(ii) shall expire four
4 (4) years from the Effective Date.

5 c. if the Consumer claims that he or she did not authorize a Third-Party Charge,
6 and the Consumer is a current customer of Carrier, offer the Consumer the
7 opportunity to Block future Third-Party Charges;

8 d. not require the Consumer to first contact the Third Party in order to receive a
9 refund/credit of any claimed Unauthorized Third-Party Charge, although this
10 subparagraph does not prohibit asking the Consumer if he or she has contacted
11 the Third Party and/or if the Consumer has already received a credit or refund
12 from the Third Party for some or all of the claimed Unauthorized Third-Party
13 Charge.

14 16. Training: For six (6) years after the Effective Date, Carrier shall conduct a training
15 program with its customer service representatives, at least annually, to administer the
16 requirements of this Assurance. To the extent that Carrier no longer permits Third-
17 Party Charges on Consumers' Bills, Carrier shall conduct one training program within
18 three (3) months of such cessation and shall have no further obligation to conduct
19 training programs under this Paragraph so long as Carrier does not permit Third-Party
20 Charges on Consumers' Bills.

21 17. Cooperation with Attorney General: Carrier shall designate a contact to whom the
22 Attorney General may provide information regarding any concerns about
23 Unauthorized Third-Party Charges, and from whom the Attorney General may request
24 information and assistance in investigations. The information and assistance shall
25 include information regarding the identity of Third Parties placing charges on Bills,
26 revenue from such Third-Party Charges, refunds provided relating to such Third-Party

1 Charges, any audits conducted of such Third Parties (to the extent not protected by
2 attorney-client privilege or attorney work product privilege), and any applications or
3 other information provided by Third Parties, to the extent that Carrier has access to
4 such information. Consistent with Carrier's legal obligations to safeguard the
5 confidential or proprietary information of Consumers and Third Parties, Carrier shall
6 provide such information within a reasonable period and shall cooperate in good faith
7 with such requests, including investigating any reports of Unauthorized Third-Party
8 Charges the Carrier receives from the Attorney General.

9 18. Information Maintained by Carrier: Carrier shall implement systems that allow it to
10 maintain and report the refund/credit information created pursuant to Paragraph 15.
11 Carrier shall maintain such records for at least five (5) years from the date of their
12 creation. Carrier's obligation to maintain records for five (5) years from the date of
13 their creation shall continue after Carrier's obligation to provide the Quarterly Reports
14 described in Paragraph 19 expires.

15 19. Information Sharing with Attorneys General:

16 a. From September 15, 2015, Carrier shall, for five (5) years, provide a report to
17 the Office of the Vermont Attorney General every three (3) months ("Quarterly
18 Reports") documenting its compliance with the requirements of Paragraph 15.
19 Without limiting Carrier's obligations under Paragraph 15, the quarterly
20 reports shall include the following:

- 21 i. the total number of Consumer claims for Unauthorized Third-Party
22 Charges for which Carrier has demonstrated that the purchaser provided
23 Express Informed Consent or for which Carrier has demonstrated that
24 the claim was untimely under subparagraph 15(b);

- 1 ii. all refunds/credits provided, in dollars, due to Carrier's inability to
2 provide proof of Express Informed Consent in response to such a claim
3 by Consumers;
- 4 iii. all other refunds/credits provided in response to Consumer claims for
5 Unauthorized Third-Party Charges, in dollars;
- 6 iv. for the claims and refunds/credits identified under subparagraphs
7 19(a)(i), (ii), and (iii), above, the Third-Party Product, the Third Party,
8 and the entity responsible for ensuring Express Informed Consent is
9 obtained from the Consumer, if different than Carrier; and
- 10 v. a description of any remedial action taken by Carrier against Third
11 Parties for Unauthorized Third-Party Charges, including, but not limited
12 to, any actions taken to limit or terminate a Third Party's ability to place
13 Third-Party Charges on a Consumer's Bill. The description of any
14 remedial action provided under this subparagraph shall include: (a) the
15 name and contact information of such Third Party, (b) a description of
16 the Third-Party Product in connection with which the remedial action
17 that was taken, (c) an indication of whether the Third-Party Product was
18 suspended or terminated (and if the Third-Party Product was suspended,
19 Carrier shall include the date or conditions for reinstatement), and (d)
20 the reason for the remedial action.

- 21 b. Information in Quarterly Reports shall be presented on a national basis and
22 provided electronically in a format to be agreed to by the parties. Quarterly
23 Reports shall be provided within thirty (30) days of the end of each calendar
24 quarter.

1 **V. MONETARY PAYMENT**

- 2 20. Carrier shall pay Sixteen Million Dollars (\$16,000,000.00) to the Participating States.
3 For purposes of this Assurance, Carrier shall pay \$259,107.31 to the State of Arizona.
4 Payment shall be made no later than thirty (30) days after the Effective Date. Said
5 payment shall be used by the Arizona Attorney General for purposes that may
6 include, but are not limited to, attorneys' fees and other costs of investigation and
7 litigation, or be placed in, or applied to, any consumer protection law enforcement
8 fund, including future consumer protection or privacy enforcement, consumer
9 education, litigation, or local consumer aid fund or revolving fund, used to defray the
10 costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole
11 discretion of the Arizona Attorney General. Pursuant to A.R.S. § 44-1531.01, the
12 Arizona Attorney General shall deposit \$259,107.31 into the Consumer Protection-
13 Consumer Fraud Revolving Fund to be administered by the Attorney General under
14 the conditions and for the purposes provided therein.
- 15 21. Within one hundred and twenty (120) days of the conclusion of the Redress Period
16 described by the Consumer Redress Plan referred to in Section III of the CFPB
17 Stipulated Order resolving the concurrent CFPB investigation of Verizon regarding
18 Unauthorized Third-Party Charges, Carrier shall provide the Attorneys General with a
19 list containing the following information for each of the Participating States: (a) the
20 number of claims submitted to the Consumer redress program by Consumers residing
21 in the Participating State; (b) the number of claims submitted to the Consumer redress
22 program by Consumers residing in the Participating State for which Carrier made
23 redress; and (c) the total amount of redress given to Consumers residing in the
24 Participating State pursuant to the Consumer redress program.
- 25 22. The Participating States and Carrier recognize that, in addition to the payment
26 provided under Paragraph 20, Carrier has agreed to pay Four Million Dollars

1 (\$4,000,000.00) to the Federal Communications Commission ("FCC") to resolve the
2 concurrent FCC investigation of Verizon regarding Unauthorized Third-Party
3 Charges.

4 23. The Participating States and Carrier recognize that Carrier has agreed to the
5 Consumer Redress Plan referred to in Section III of the CFPB Stipulated Order,
6 which sets forth a process for providing Consumers with redress of up to Seventy
7 Million Dollars (\$70,000,000.00). This Assurance does not alter, amend, replace, or
8 expand the Consumer redress program set forth in Section III of the CFPB Stipulated
9 Order. To the extent residual monies remain after the cessation of the Redress Period,
10 the Participating States will collaborate with the FCC and CFPB in determining how
11 to dispose of the funds, including whether additional restitution is practicable. To the
12 extent the CFPB transfers any residual amounts to the Participating States following
13 the cessation of the Redress Period, the Participating States shall use such money in
14 the manner and for the purposes identified in Paragraph 20 above.

15 24. As more fully set forth in the CFPB Stipulated Order, Carrier shall make payments,
16 credits, and debt forgiveness to the Participating States, CFPB, FCC, and Consumers
17 in an aggregate amount of no more than Ninety Million Dollars (\$90,000,000.00).

18 **VI. RELEASE**

19 25. Effective upon full payment of the amount due under Paragraph 20, the Attorney
20 General releases and discharges Carrier and its officers, employees, agents,
21 successors, assignees, affiliates, merged or acquired entities, parent or controlling
22 entities, and subsidiaries from any and all claims, suits, demands, damages,
23 restitution, penalties, fines, actions, and other causes of action that the Attorney
24 General could have brought under the Arizona Consumer Fraud Act, A.R.S. §§ 44-
25 1521 to 44-1534, both known and unknown, arising directly or indirectly out of or
26 related to billing, charging, disclosures, policies, practices, actions, or omissions

1 related to PSMS or Unauthorized Third-Party Charges that were incurred prior to the
2 Effective Date. In the case of affiliates, acquired entities, or subsidiaries, this release
3 only covers conduct occurring during the time such entities are or were affiliates or
4 subsidiaries of Carrier. Nothing contained in this Paragraph shall be construed to limit
5 the ability of the Attorney General to enforce the obligations that Carrier and its
6 officers, agents, servants, and employees acting on its behalf, have under this
7 Assurance.

8 26. Nothing in this Assurance shall be construed to create, waive, or limit any private
9 right of action.

10 27. Notwithstanding any term of this Assurance, any and all of the following forms of
11 liability are specifically reserved and excluded from the release in Paragraph 25 as to
12 any entity or person, including Carrier:

13 a. any criminal liability that any person or entity, including Carrier, has or may
14 have to the State of Arizona.

15 b. any civil or administrative liability that any person or entity, including Carrier,
16 has or may have to the State of Arizona under any statute, regulation or rule
17 not expressly covered by the release in Paragraph 25 above, including but not
18 limited to, any and all of the following claims:

19 i. state or federal antitrust violations;

20 ii. state or federal securities violations; and

21 iii. state or federal tax claims.

22 **VII. GENERAL PROVISIONS**

23 28. The parties understand and agree that this is a compromise settlement of disputed
24 issues and that the consideration for this Assurance shall not be deemed or construed
25 as: (a) an admission of the truth or falsity of any claims or allegations heretofore made
26 or any potential claims; (b) an admission by Carrier that it has violated or breached

1 any law, statute, regulation, term, provision, covenant or obligation of any agreement;
2 or (c) an acknowledgement or admission by any of the parties of any duty, obligation,
3 fault or liability whatsoever to any other party or to any Third Party. This Assurance
4 does not constitute a finding of law or fact, or any evidence supporting any such
5 finding, by any court or agency that Carrier has engaged in any act or practice
6 declared unlawful by any laws, rules, or regulations of any state. Carrier denies any
7 liability or violation of law and enters into this Assurance without any admission of
8 liability. It is the intent of the parties that this Assurance shall not be used as evidence
9 or precedent in any action or proceeding, except an action to enforce this Assurance.

10 29. Unless otherwise specifically provided, all actions required pursuant to this Assurance
11 shall commence as of the Effective Date. In the event that Carrier acquires any new
12 entity, Carrier shall take immediate steps to cease billing charges for all Commercial
13 PSMS through such newly acquired entity. With respect to any such entities, Carrier
14 shall provide Consumers with access to a customer service representative who shall
15 have access to Consumers' account information related to Third-Party Charges for at
16 least the prior twelve (12) months. If such information is not available, Carrier shall
17 have twelve (12) months to come into compliance with Paragraph 15(a) with respect
18 to such entities and, while coming into compliance, shall respond to Consumers'
19 inquiries within ten (10) days using any available information. As to all other
20 requirements contained in this Assurance, Carrier shall have a reasonable period of
21 time, which in no event shall exceed twelve (12) months, in which to bring said entity
22 into compliance with this Assurance, and during that period, Carrier shall take
23 reasonable steps to obtain Express Informed Consent before a Consumer is billed for
24 any Third-Party Charge.

25 30. Nothing in this Assurance limits Carrier's right, at its sole discretion, to provide
26 refunds or credits to Consumers in addition to what is required in this Assurance.

1 31. Nothing in any provision of this Assurance shall be read or construed to require
2 Carrier (a) to share customer proprietary network information (“CPNI”) with any
3 person not legally entitled to receive CPNI; (b) to share customer information in such
4 way that it would violate any applicable law or privacy policy; or (c) to grant more
5 than one full refund for any single Unauthorized Third-Party Charge. Carrier shall not
6 amend its privacy policy to excuse its compliance with the reporting, tracking, or
7 other provisions of this Assurance related to the sharing of customer information
8 unless required by law.

9 32. Carrier understands that the Attorney General may file and seek court approval of this
10 Assurance. Should such an approval be obtained, the court shall retain jurisdiction
11 over this Assurance for the purpose of enabling the parties to apply to the court at any
12 time for orders and directions as may be necessary or appropriate to enforce
13 compliance with or to punish violations of this Assurance. Neither party will object on
14 the basis of jurisdiction to enforcement of this Assurance under this Paragraph.

15 33. As consideration for the relief agreed to herein, if the Attorney General of a
16 Participating State determines that Carrier has failed to comply with any of the terms
17 of this Assurance, and if in the Attorney General's sole discretion the failure to
18 comply does not threaten the health or safety of the citizens of the Participating State
19 and/or does not create an emergency requiring immediate action, the Attorney
20 General will notify Carrier in writing of such failure to comply and Carrier shall then
21 have ten (10) business days from receipt of such written notice to provide a good faith
22 written response to the Attorney General's determination. The response shall include
23 an affidavit containing, at a minimum, either: (a) a statement explaining why Carrier
24 believes it is in full compliance with the Assurance; or (b) a detailed explanation of
25 how the alleged violation(s) occurred; and (i) a statement that the alleged breach has
26 been addressed and how; or (ii) a statement that the alleged breach cannot be

1 reasonably addressed within ten (10) business days from receipt of the notice, but (1)
2 Carrier has begun to take corrective action to address the alleged breach; (2) Carrier is
3 pursuing such corrective action with reasonable and due diligence; and (3) Carrier has
4 provided the Attorney General with a detailed and reasonable timetable for addressing
5 the alleged breach.

6 34. Nothing herein shall prevent the Attorney General from agreeing in writing to provide
7 Carrier with additional time beyond the ten (10) business day period to respond to the
8 notice provided under Paragraph 33.

9 35. Nothing herein shall be construed to exonerate any contempt or failure to comply with
10 any provision of this Assurance after the date of its entry, to compromise the authority
11 of the Attorney General to initiate a proceeding for any contempt or other sanctions
12 for failure to comply, or to compromise the authority of a court to punish as contempt
13 any violation of this Assurance. Further, nothing in this Paragraph shall be construed
14 to limit the authority of the Attorney General to protect the interests of the
15 Participating State or the people of the Participating State.

16 36. The Participating States represent that they will seek enforcement of the provisions of
17 this Assurance with due regard to fairness.

18 37. Carrier shall designate one or more employees to act as the primary contact for the
19 Attorney General for purposes of assisting the Attorney General in investigations. The
20 contact employee(s) designated by Carrier pursuant to this Paragraph shall be capable
21 of receiving and processing subpoenas, statutory investigative demands, or other legal
22 process requesting information pertaining to the placement of Third-Party Charges on
23 Consumers' Bills. Carrier shall provide the Attorney General with the name(s),
24 address(es), telephone number(s), facsimile number(s), and electronic mail
25 address(es) of each such employee.
26

1 38. This Assurance is intended to supplement, and does not supplant or in any way
2 restrict, the Attorney General's subpoena power and/or investigative authority
3 pursuant to applicable law.

4 39. This Assurance does not supplant or in any way restrict the Attorney General's
5 powers to investigate the prevalence of Unauthorized Third-Party Charges or the
6 extent to which this Assurance has affected the prevalence of Unauthorized Third-
7 Party Charges in his/her jurisdiction.

8 40. This Assurance does not supplant or in any way restrict Carrier's legal rights and
9 ability to demand formal legal process to protect its Consumers' privacy rights and/or
10 to protect Carrier from potential liability for disclosing or sharing such information
11 without legal process.

12 41. The only persons with rights under this Assurance are the parties to the Assurance,
13 namely Carrier and the Attorney General. No third party (including third parties that
14 meet the definition in 8(m)) is entitled to claim rights under this Assurance and no
15 provision of this Assurance is enforceable by any person or entity not a party to the
16 Assurance. The agreement in this Assurance has no third-party beneficiaries.

17 42. This Assurance represents the full and complete terms of the settlement entered into
18 by the parties hereto.

19 43. All parties participated in the drafting of this Assurance.

20 44. This Assurance may be executed in counterparts, and a facsimile or .pdf signature
21 shall be deemed to be, and shall have the same force and effect as, an original
22 signature.

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1 45. All notices under this Assurance shall be provided to the following address via first
2 class or electronic mail:

3 Dena R. Benjamin, Assistant Attorney General
4 Office of the Attorney General
5 1275 West Washington Street
6 Phoenix, AZ 85007-2997
7 Telephone: (602) 542-3725
8 consumer@azag.gov

9 For the Attorney General

10 Michelle L. Rogers
11 BuckleySandler LLP
12 1250 24th Street NW
13 Suite 700
14 Washington, DC 20037
15 mrogers@buckleysandler.com

16 Robert L. Ernst
17 Verizon Wireless
18 One Verizon Way
19 VC54N068
20 Basking Ridge, NJ 07920
21 Robert.l.ernst@verizon.com

22 For Carrier

23 46. Any failure by any party to this Assurance to insist upon the strict performance by any
24 other party of any of the provisions of this Assurance shall not be deemed a waiver of
25 any of the provisions of this Assurance, and such party, notwithstanding such failure,
26 shall have the right thereafter to insist upon the specific performance of any and all of
the provisions of this Assurance.

47. If any clause, provision or paragraph of this Assurance shall, for any reason, be held
illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall
not affect any other clause, provision, or paragraph of this Assurance and this

1 Assurance shall be construed and enforced as if such illegal, invalid, or unenforceable
2 clause, provision, or paragraph had not been contained herein.

3 48. Nothing in this Assurance shall be construed as relieving Carrier of the obligation to
4 comply with all local, state, and federal laws, regulations or rules, nor shall any of the
5 provisions of this Assurance be deemed to be permission to engage in any acts or
6 practices prohibited by such laws, regulations, or rules.

7 49. The parties understand that this Assurance shall not be construed as an approval of or
8 sanction by the Attorney General of Carrier's business practices, nor shall Carrier
9 represent the decree as such an approval or sanction. The parties further understand
10 that any failure by the Attorney General to take any action in response to any
11 information submitted pursuant to the Assurance shall not be construed as an
12 approval, or sanction, of any representations, acts or practices indicated by such
13 information, nor shall it preclude action thereon at a later date.

14 50. Carrier shall not participate, directly or indirectly, in any activity or form a separate
15 entity or corporation for the purpose of engaging in acts or practices in whole or in
16 part in the State of Arizona that are prohibited by this Assurance or for any other
17 purpose that would otherwise circumvent any term of this Assurance. Carrier shall not
18 cause, knowingly permit, or encourage any other persons or entities acting on its
19 behalf to engage in practices from which Carrier is prohibited by this Assurance.

20 51. If the Attorney General determines that Carrier made any material misrepresentation
21 or omission relevant to the resolution of this investigation, the Attorney General
22 retains the right to seek modification of this Assurance.

23 52. In the event that any statute or regulation pertaining to the subject matter of this
24 Assurance is modified, enacted, promulgated, or interpreted by the federal
25 government or any federal agency, such as the FCC, such that Carrier cannot comply
26 with both the statute or regulation and any provision of this Assurance, Carrier may

1 comply with such statute or regulation, and such action shall constitute compliance
2 with the counterpart provision of this Assurance. Carrier shall provide advance
3 written notice to the Attorney General of Vermont of the inconsistent provision of the
4 statute or regulation with which Carrier intends to comply under this Paragraph, and
5 of the counterpart provision of this Assurance that conflicts with the statute or
6 regulation.

7 53. In the event that any statute or regulation pertaining to the subject matter of this
8 Assurance is modified, enacted, promulgated or interpreted by a Participating State,
9 such that the statute or regulation is in conflict with any provision of this Assurance,
10 and such that Carrier cannot comply with both the statute or regulation and the
11 provision of this Assurance, Carrier may comply with such statute or regulation in the
12 Participating State, and such action shall constitute compliance with the counterpart
13 provision of this Assurance. Carrier shall provide advance written notice to both the
14 Attorney General of Vermont and the Attorney General of the Participating State, of
15 the inconsistent provision of the statute or regulation with which Carrier intends to
16 comply under this Paragraph, and of the counterpart provision of this Assurance that
17 is in conflict with the statute or regulation.

18 54. To seek a modification of this Assurance for any reason other than that provided for
19 in Paragraphs 52 or 53 of this Assurance, Carrier shall send a written request for
20 modification to the Attorney General of Vermont on behalf of the Participating States.
21 The Participating States shall give such petition reasonable consideration and shall
22 respond to Carrier within thirty (30) days of receiving such request. At the conclusion
23 of this thirty (30) day period, Carrier reserves all rights to pursue any legal or
24 equitable remedies that may be available to it.

25 55. To the extent that any of the provisions contained herein permit implementation
26 beyond the Effective Date, the parties have agreed to the delayed implementation of

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such provisions based on Carrier's representation that it is currently unable to meet the requirements of such provisions and that it needs the additional specified time to develop the necessary technical capabilities to come into compliance with the requirements of such provisions. Carrier agrees to make good-faith and reasonable efforts to come into compliance with any such provisions prior to the implementation dates set by such provisions to the extent commercially practicable.

56. Carrier shall pay all court costs associated with the filing of this Assurance, should the Attorney General be required to file and seek court approval of this Assurance.

57. Pursuant to A.R.S. § 44-1530, a violation of this Assurance of Discontinuance within six (6) years of the filing thereof constitutes prima facie evidence of a violation of A.R.S. § 44-1522. This court therefore retains jurisdiction over this action for purposes of enabling the State of Arizona to enforce the terms of this Assurance.

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FOR THE ARIZONA ATTORNEY GENERAL By: <u><i>Dena R. Benjamin</i></u> Dena R. Benjamin Assistant Attorney General Office of the Attorney General	Dated: <u><i>5/11/15</i></u>
FOR CELLCO PARTNERSHIP d/b/a VERIZON WIRELESS By: <u><i>Craig L. Silliman</i></u> Craig L. Silliman Executive Vice President & General Counsel VERIZON	Dated: <u><i>5/8/15</i></u>

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