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	(Firm State Bar No. 14000)			
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0				
1	SUPERIOR COUR	RT OF ARIZONA		
	IN MARICOPA COUNTY			
2				
13	STATE OF ARIZONA, ex rel. MARK	Case No.: CV2022-		
	BRNOVICH, Attorney General,	CONCENT HIDOMENIC		
4	Disingiff	CONSENT JUDGMENT		
15	Plaintiff,	Assigned to the Hon		
	v.	rissigned to the from		
6				
17	IHEARTMEDIA, INC., a Delaware			
18	Corporation,			
19	Defendant.			

The State of Arizona, ex rel. Mark Brnovich, the Attorney General (the "State"), filed a Complaint alleging violations of the Arizona Consumer Fraud Act, A.R.S. §§ 44-1521 to -1534 (the "ACFA"), and Defendant iHeartMedia, Inc. ("iHeartMedia"), a corporation, has waived service of the Complaint, has been advised of the right to a trial in this matter, and has waived the same. iHeartMedia admits the jurisdiction of this Court over the subject matter and parties, stipulates this Court may enter the following Findings of Fact, Conclusions of Law and Judgment, and acknowledges this court will retain jurisdiction for the purpose of enforcing this Consent Judgment. The parties have stipulated to the entry of this Final Judgment and

Permanent Injunction ("Judgment") by the Court without the taking of proof and without trial or adjudication of any fact or law, without this Judgment constituting evidence of or an admission or denial by iHeartMedia regarding any issue of law or fact alleged in the Complaint on file, and without iHeartMedia either admitting or denying any liability, and with all parties having waived their right to appeal.

PARTIES AND JURISDICTION

- 1. The State of Arizona is the Plaintiff in this case, and is authorized to bring this action under the CFA.
- 2. Defendant iHeartMedia is a Delaware corporation with its principal office located at 20880 Stone Oak Parkway, San Antonio, Texas 78258.
- 3. Defendant, at all relevant times, has transacted business in the State of Arizona, including, but not limited to, Maricopa County.
- 4. The Court has jurisdiction over the Complaint and the parties necessary for the Court to enter this Consent Judgment and any orders hereafter appropriate pursuant to A.R.S. § 44-1528 and this Consent Judgment.
 - 5. Venue is proper in Maricopa County pursuant to A.R.S. § 12-401.

DEFINITIONS

- 6. For the purposes of this Judgment, the following definitions shall apply:
 - a. "Covered conduct" shall mean any and all alleged acts or practices relating to iHeartMedia's recording endorsements of the Google Pixel 4 by its on-air radio personalities and, from October 2019 through January 1st, 2020, airing those endorsements, which the Arizona Attorney General alleges violated the ACFA.
 - b. "Effective date" shall be the date of filing this judgment.
 - c. "Endorsement" shall mean any advertising message (including verbal statements, demonstrations, or depictions of the name, signature, likeness or other identifying personal characteristics of an individual or the name or seal of an organization) that consumers are likely to believe reflects the opinions, beliefs, findings, or experiences of a party other than the sponsoring advertiser, even if the views

expressed by that party are identical to those of the sponsoring advertiser.

- d. "Endorser" shall mean the party whose opinions, beliefs, findings, or experience an endorsement message appears to reflect, and may be an individual, group, or institution.
- e. "Multistate Committee" shall include Arizona, California, Georgia, Illinois, Massachusetts, New York, and Texas.

BACKGROUND

The State alleges the following:

- 7. iHeartMedia owns more than 850 full-power AM and FM radio stations in the United States, making it the country's largest owner of radio stations. iHeartMedia also streams its content over Internet radio. Its radio network is known as iHeartRadio.
- 8. iHeartMedia employs numerous on-air radio personalities ("Radio Personalities") throughout the United States, including in Arizona. iHeartMedia gives select Radio Personalities the option to receive additional compensation for recording advertisements for specific clients that are played on-air.
- 9. Through its media buying agent, in October 2019, Google LLC ("Google") hired iHeartMedia to have its Radio Personalities record advertisements endorsing the Google Pixel 4 smartphone and to disseminate those ads in ten markets in the United States, including the Phoenix market.
- 10. In October 2019, Google provided iHeartMedia with scripts for Radio Personalities to use in recording advertisements endorsing the Pixel 4.
 - 11. The typical English-language script began:

The only thing I love more than taking the perfect photo? Taking the perfect photo at night. With Google Pixel 4 both are a cinch. It's my favorite phone camera out there, especially in low light, thanks to Night Sight Mode. I've been taking studio-like photos of everything... my son's football game... a meteor shower... a rare spotted owl that landed in my backyard. Pics or it didn't happen, am I right? Pixel 4 is more than just great pics. It's also great at helping me get stuff done, thanks to the new voice activated Google Assistant that can handle multiple tasks at once. I

can read up on the latest health fads, ask for directions to the nearest goat yoga class (yes, that's a thing), and text the location to mom hands-free....

12. An approximate translation of an excerpt from the typical Spanish-language script for the Pixel 4 radio advertisements is:

Pixel 4 is my favorite camera in low light. Its Night Sight mode opened up a galaxy of possibilities for my photos, like the Milky Way! No, really! I just point the camera at the sky and take Instagram-ready photos of the stars! It's easy. I don't have to learn anything new or do any fancy editing to obtain studio-quality photos at any time and anywhere, like birthday parties, low-light concerts, my mom and dad's 50th birthdays. And with the continuous zoom feature, I didn't miss a second of my daughter's school play even though I was in the last row.

- 13. In October 2019, an iHeartMedia employee wrote in an email to Google's media buying agent that the company would like to have its Radio Personalities "customize certain parts of the script pending what's relevant to their personal lives (i.e. if they have kids, involved in certain activities/hobbies, etc.)." Google's media buying agent approved this request.
- 14. Before the first advertisements by iHeartMedia's Radio Personalities were recorded, an iHeartMedia employee wrote an email to Google's media buying agent requesting Pixel 4s for the Radio Personalities.
- 15. The iHeartMedia employee also wrote that "a few markets" had raised concerns about the personalization without actually having the smartphones. Google's media buying agent checked with Google and wrote back:

Just heard back from [Google] in regards to sending Pixels to your talent. Unfortunately, this is not feasible for [Google] at this time as the product is not on shelves yet. It would take over a week to ship all of these phones out resulting in a loss of airtime.

16. In October 2019, forty-three iHeartMedia Radio Personalities at different stations in ten markets—Atlanta, Boston, Chicago, Dallas/Ft. Worth, Denver/Boulder, Houston, Los Angeles, New York, Phoenix, and San Francisco—each recorded advertisements for the Pixel 4 using first-person language identical or substantially similar to that in the scripts described in

Paragraphs 11 and 12. Approximately 5 of these Radio Personalities were at radio stations in the Phoenix market.

17. Most, if not all, of the Radio Personalities in Arizona personalized what they said they did with the Pixel 4. However, these Radio Personalities did not own or regularly use a Pixel 4 and had not used a Pixel 4 to take pictures at night. These ads aired in Phoenix, Arizona 960 times between October and December 2019.

THE STATE'S ALLEGATIONS

- 18. The State alleges that:
 - a. iHeartMedia violated the ACFA by engaging in or directing others to engage in the actions described in paragraphs 7 through 17 above.
 - b. iHeartMedia acted willfully, as defined by A.R.S. § 44-1531(B), while engaging in the acts, practices and conduct described in the preceding paragraphs of this Consent Judgment.
 - c. Pursuant to the ACFA, iHeartMedia's violations entitle the State to relief necessary to prevent the unlawful acts and practices described in this Consent Judgment and to remedy the consequences of past unlawful practices.

INJUNCTIVE RELIEF

IT IS HEREBY ORDERED, ADJUDGED AND JUDGED THAT:

- 19. The duties, responsibilities, burdens, and obligations undertaken in connection with this Judgment shall apply to iHeartMedia.
- 20. The injunctive terms contained in this Judgment are being entered pursuant to A.R.S. § 44-1528.
- 21. iHeartMedia and its officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Judgment, whether acting directly or indirectly, shall:
 - a. Comply with the ACFA in connection with the advertising, promotion, offering for sale, or sale of any iHeartMedia product or service in Arizona.
 - b. Comply with the Federal Trade Commission's Guides Concerning the Use of

Endorsements and Testimonials in Advertising, 16 C.F.R. Part 255, including but not limited to, ensuring that endorsements reflect the honest opinions, findings, beliefs, or experience of the endorser, in connection with the advertising, promotion, offering for sale, or sale of any consumer product or service in Arizona.

- c. In connection with the advertising or promotion of any consumer product or service, not make any misrepresentation, expressly or by implication:
 - i. That an endorser has owned or used the product or service; or
 - ii. About an endorser's experience with the product or service.
- 22. Compliance Reports and Notices to the Attorney General: iHeartMedia shall make timely submissions to the Arizona Attorney General:
 - a. One hundred eighty (180) days after the issuance date of this Judgment, and upon request by the Arizona Attorney General each year thereafter, for ten (10) years, iHeartMedia must submit a compliance report, sworn under penalty of perjury, in which it must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Arizona Attorney General may use to communicate with iHeartMedia; (b) identify all of iHeartMedia's businesses by all of their names, primary telephone numbers, and primary physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the goods and services offered, and the means of advertising, marketing, and sales; and (d) describe in detail whether and how iHeartMedia is in compliance with each Provision of this Judgment, including a discussion of all of the changes iHeartMedia made to comply with the Judgment; and (e) provide a copy of each Acknowledgment of the Judgment obtained pursuant to this Judgment, unless previously submitted to the Arizona Attorney General.
 - b. Any submission to the Arizona Attorney General required by this Judgment to be sworn under penalty of perjury must be true and accurate and comply with 28

- U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: _____" and supplying the date, signatory's full name, title (if applicable), and signature.
- 23. Compliance Monitoring: For the purposes of monitoring iHeartMedia's compliance with this Judgment:
 - a. Within fifteen (15) business days of receipt of a written request from a representative of the Arizona Attorney General, iHeartMedia must submit additional compliance reports or other requested information, which must be sworn under penalty of perjury, and produce records for inspection and copying.
 - b. For matters concerning this Judgment, representatives of the Arizona Attorney General are authorized to communicate directly with iHeartMedia. iHeartMedia must permit representatives of the Arizona Attorney General to interview anyone affiliated with iHeartMedia who has agreed to such an interview. The interviewee may have counsel present.
 - c. The Arizona Attorney General may use all other lawful means, including posing through its representatives as consumers, suppliers, or other individuals or entities, to iHeartMedia or any individual or entity affiliated with iHeartMedia, without the necessity of identification or prior notice. Nothing in this Judgment limits the Arizona Attorney General's lawful use of compulsory process, such as pursuant to A.R.S. §§ 44-1524, 44-1526, or 44-1527.
- 24. Cooperation: iHeartMedia must cooperate fully with representatives of the Arizona Attorney General in any investigation or case related to or associated with the transactions or the occurrences that are the subject of the Complaint. iHeartMedia must provide truthful and complete information, evidence, and testimony. iHeartMedia must cause its officers, employees, representatives, or agents to appear for interviews, discovery, hearings, trials, and any other proceedings that an Arizona Attorney General representative may reasonably request upon five days' written notice, or other reasonable notice, at such places and

times as an Arizona Attorney General representative may designate, without the service of a subpoena.

- 25. Recordkeeping: iHeartMedia must create certain records for ten years after the issuance date of the Judgment, and retain each such record for five years, unless otherwise specified below. Specifically, iHeartMedia, for any business that iHeartMedia is a majority owner or controls directly or indirectly, must create and retain the following records:
 - a. Accounting records showing the revenues from all advertisements or other services sold by iHeartMedia;
 - b. Personnel records showing, for each person providing services in relation to any aspect of the Judgment, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
 - c. Copies or records of all consumer or other complaints concerning the subject matter of this Judgment, whether received directly or indirectly, such as through a third party, and any response;
 - d. All records necessary to demonstrate full compliance with each provision of this Judgment, including all submissions to the Arizona Attorney General;
 - e. Copies of all materials used by iHeartMedia to train or otherwise educate any of its principals, officers, directors, managers, employees, agents, or representatives regarding iHeartMedia's policies with respect to endorsements subject to this Judgment; and records reflecting which individuals received such training or educational materials, the date(s) that the individuals received such training or educational materials, and an indication of which training or educational materials were provided;
 - f. For any endorsement subject to this Judgment that is provided by Respondent or its officers, employees, representatives, agents, or independent contractors: (a) records indicating the endorser's name and contact information used to communicate with the endorser; (b) records indicating the amount(s) and value(s)

of everything the endorser was paid or given in connection with the endorsement; (c) records indicating whether the endorser was provided with the endorsed product or service; and (d) a copy of each unique endorsement by the endorser; and

- g. A copy of each unique advertisement or other marketing material making a representation subject to this Judgment.
- 26. Acknowledgements of the Judgment:
 - a. iHeartMedia, within ten (10) days after the effective date of this Judgment, must submit to the Arizona Attorney General an acknowledgment of receipt of this Judgment sworn under penalty of perjury.
 - b. For ten years after the issuance date of this Judgment, iHeartMedia must deliver a copy of this Judgment to: (1) all principals, officers, directors, and iHeartMedia managers and members; (2) all employees, agents, and representatives having managerial responsibilities for conduct related to the subject matter of the Judgment; and (3) any business entity resulting from any change in structure as set forth in the Provision titled Compliance Reports and Notices. Delivery must occur within forty-five (45) days after the effective date of this Judgment for current personnel. For all others, delivery must occur before they assume their responsibilities.
 - c. From each individual or entity to which iHeartMedia delivered a copy of this Judgment, iHeartMedia must obtain, within thirty (30) days, a signed and dated acknowledgment of receipt of this Judgment.

MONETARY PAYMENT

27. No later than thirty (30) days after the effective date, iHeartMedia shall pay a total of four hundred thousand (\$400,000), \$26,018.03 of which shall then be paid by multistate committee directly to the Arizona Attorney General. The money will be deposited into the Consumer Protection-Consumer Fraud Revolving Fund pursuant to A.R.S. § 44-1531.01 and used for the purposes set forth therein.

MATERIAL BREACH

28. In the event of a material breach of this Consent Judgment, in addition to all other remedies available under Arizona law and the penalties specifically provided under A.R.S. § 44-1532, the State may, in its sole discretion, reopen proceedings and continue with this case as though this Consent Judgment had not been entered, provided that iHeartMedia will be entitled to an offset for any amount actually paid to the State.

RELEASE

- 29. Following full payment of the amounts due under this Judgment, the Arizona Attorney General shall release and discharge iHeartMedia from all civil claims that it could have brought based on the known covered conduct under the ACFA or common law claims, including those concerning unfair, deceptive, or fraudulent trade practices. Nothing contained in this paragraph shall be construed to limit the ability of the Arizona Attorney General to enforce the obligations that iHeartMedia has under this Judgment.
- 30. Notwithstanding any term of this Judgment, any and all of the following forms of liability are specifically reserved and excluded from the release in Paragraph 29 as to any entity or person, including iHeartMedia:
 - a. Any criminal liability that any person or entity, including iHeartMedia, has or may have to the States.
 - b. Any civil or administrative liability that any person or entity, including iHeartMedia, has or may have to the States under any statute, regulation or rule giving rise to, any and all of the following claims:
 - i. State or federal antitrust violations;
 - ii. State or federal securities violations; or
 - iii. State or federal tax claims.
- 31. Nothing in this Judgment shall be construed as excusing or exempting iHeartMedia from complying with any state or federal law, rule, or regulation, nor shall any of the provisions of this Judgment be deemed to authorize or require iHeartMedia to engage in any acts or practices prohibited by any law, rule, or regulation.

32. Nothing in this Judgment shall be construed to settle, release, or resolve any claims individual consumers have or may have under the ACFA, and any common law claims individual consumers may have concerning unfair, fraudulent or deceptive trade practices, against any person or entity, including iHeartMedia.

NO ADMISSION OF LIABILITY

- 33. Violations of Law: In stipulating to the entry of this Judgment, iHeartMedia does not admit to or deny any violation of or liability arising from any state, federal, or local law.
- 34. Admissions of Fact: iHeartMedia does not admit to or deny any fact alleged in the Arizona Attorney General's Complaint.
- 35. Nothing contained in this Judgment shall be construed as an admission or concession of liability by iHeartMedia, or create any third-party beneficiary rights or give rise to or support any right of action in favor of any consumer or group of consumers, or confer upon any person other than the parties hereto any rights or remedies. By entering into this Judgment, iHeartMedia does not intend to create any legal or voluntary standard of care and expressly denies that any practices, policies, or procedures inconsistent with those set forth in this Judgment violate any applicable legal standard. This Judgment is not intended to be and shall not be construed as, deemed to be, represented as, or relied upon in any manner by any party in any civil, criminal, or administrative proceeding before any court, administrative agency, arbitration, or other tribunal as an admission, concession, or evidence that iHeartMedia has violated any federal, state, or local law, or that iHeartMedia's current or prior practices are or were not in accordance with any federal, state, or local law.

GENERAL PROVISIONS

- 36. Nothing herein shall be construed to exonerate any failure to comply with any provision of this Judgment after the effective date, or to compromise the authority of the Arizona Attorney General to initiate a proceeding for any failure to comply with this Judgment.
- 37. Nothing in this Judgment shall be construed to limit the authority or ability of the Arizona Attorney General to protect the interests of Arizona or the people of Arizona. This Judgment shall not bar the Arizona Attorney General or any other governmental entity from

enforcing laws, regulations, or rules against iHeartMedia for conduct subsequent to or otherwise not covered by this Judgment. Further, nothing in this Judgment shall be construed to limit the ability of the Arizona Attorney General to enforce the obligations that iHeartMedia has under this Judgment.

- 38. Nothing in this Judgment shall be construed as relieving iHeartMedia of the obligation to comply with all state and federal laws, regulations, and rules, nor shall any of the provisions of this Judgment be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, and rules.
 - 39. iHeartMedia shall pay all court costs associated with the filing of this Judgment.
- 40. iHeartMedia shall not participate in any activity or form a separate entity or corporation for the purpose of engaging in acts or practices in whole or in part that are prohibited by this Judgment or for any other purpose that would otherwise circumvent any term of this Judgment. iHeartMedia shall not knowingly cause, permit, or encourage any other persons or entities acting on its behalf, to engage in practices prohibited by this Judgment.
- 41. iHeartMedia agrees that this Judgment does not entitle it to seek or to obtain attorneys' fees as a prevailing party under any statute, regulation, or rule, and iHeartMedia further waives any right to attorneys' fees that may arise under such statute, regulation, or rule.
- 42. This Judgment shall not be construed to waive any claims of sovereign immunity Arizona may have in any action or proceeding.
- 43. If any portion of this Judgment is held invalid or unenforceable, the remaining terms of this Judgment shall not be affected and shall remain in full force and effect.
- 44. Whenever iHeartMedia shall provide notice to the Arizona Attorney General under this Judgment, that requirement shall be satisfied by sending notice to: The Consumer Protection & Advocacy Section of the Civil Litigation Division for the Arizona Attorney General's Office at 2005 N. Central Ave. Phoenix, AZ 85004. Any notices or other documents sent to iHeartMedia pursuant to this Judgment shall be sent to the following address: [CONTACT]. All notices or other documents to be provided under this Judgment shall be sent

by United States mail, certified mail return receipt requested, or other nationally recognized courier service that provides for tracking services and identification of the person signing for the notice or document, and shall have been deemed to be sent upon mailing. Any party may update its designee or address by sending written notice to the other party informing them of the change.

- 45. iHeartMedia waives any defect associated with service of the Plaintiff's Complaint and does not require issuance or service of process of a summons. Further, iHeartMedia waives any statutorily required notice associated with the commencement of this action, including any requirement to seek injunctive relief.
- 46. Jurisdiction is retained by the Court for the purpose of enabling any party to the Judgment to apply to the Court at any time for such further orders and directions as may be necessary or appropriate for the construction or the carrying out of this Judgment, for the modification of any of the injunctive provisions hereof, for enforcement of compliance herewith, and for the punishment of violations hereof, if any.
- 47. iHeartMedia relinquishes dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Judgment and may not seek the return of any assets.
- 48. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the Arizona Attorney General to enforce his rights to any payment pursuant to this Judgment, such as a nondischargeability complaint in any bankruptcy case.
- 49. The facts alleged in the Complaint establish all elements necessary to sustain an action by or on behalf of the Arizona Attorney General pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Judgment will have collateral estoppel effect for such purposes.
- 50. In the event of default on any obligation to make payment under this Judgment, interest, computed as if pursuant to 28 U.S.C. § 1961(a), shall accrue from the date of default to

1	the date of payment. In the event such default continues for ten (10) days beyond the date that				
2	payment is due, the entire amount will immediately become due and payable.				
3	51. The clerk is ordered to enter this Judgment forthwith. As no further matters remain				
4	pending, this is a final judgment entered pursuant to Ariz. R. Civ. P. 54(c).				
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6	ORDERED AND ADJUDGED at Phoenix, Arizona, this day of MONTH, 2022.				
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9	JUDGE OF THE SUPERIOR COURT				
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CONSENT TO JUDGMENT

- 1. iHeartMedia acknowledges that it was served with a copy of the Summons and Complaint, has read the Consent Judgment and Order, and further, is aware of its right to a trial in this matter and has waived the same.
- iHeartMedia admits the jurisdiction of this Court and consents to the entry of the foregoing Order.
- 3. iHeartMedia states that no promise of any kind or nature whatsoever was made to it to induce entry of this Consent Judgment and declares that it has entered into this Consent Judgment voluntarily.
- 4. This Consent Judgment is entered as a result of a compromise between the parties. Only the State may seek enforcement of this Consent Judgment. Nothing herein is intended to create a private right of action by other parties; however, this Consent Judgment does not limit the rights of any private party to pursue any remedies allowed by law.
- 5. iHeartMedia acknowledges that its acceptance of this Consent Judgment is for the purpose of settling the ongoing consumer fraud investigation by the State, and further acknowledges that this Consent Judgment does not preclude any agency or officer of this State or subdivision thereof from instituting other civil or criminal proceedings as may be appropriate.
- 6. This Consent to Judgment may be executed in counterparts and be delivered by facsimile or electronic transmission, or a copy thereof, such constituting an original counterpart hereof, all of which together will constitute one and the same document.
- 7. iHeartMedia represents and warrants that the person signing below on its behalf is duly appointed and authorized to do so.

DATED this _____ day of November, 2022.

iHeartMedia, Inc.

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3	By: Jordan Fasbender	
4	4 Executive Vice President	t, General
5	Counsel and Secretary	
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15	Joseph Hubble Mercedes Kelley Tunstall, Esq.	
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