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[EXEMPT FROM FILING FEES
PURSUANT TO GOVERNMENT
CODE SECTION 6103]

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14
15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 COUNTY OF ALAMEDA

17
18 **THE PEOPLE OF THE STATE OF
CALIFORNIA,**

19
20 Plaintiff,

21 v.

22 **IHEARTMEDIA, INC.,**

23 Defendant.

Case No.

**[PROPOSED] FINAL JUDGMENT AND
PERMANENT INJUNCTION**

Department:
Judge: The Hon.
Trial Date: None Set
Action Filed:

[COMPLAINT and STIPULATION FOR
ENTRY OF FINAL JUDGMENT AND
PERMANENT INJUNCTION filed
concurrently herewith]

1 The People of the State of California (“People”), appearing through their attorney, Rob
2 Bonta, Attorney General of the State of California, by Supervising Deputy Attorneys General
3 Judith Fiorentini and Tina Charoenpong, and Deputy Attorney General Caroline E. Wilson, and
4 Defendant iHeartMedia, Inc., appearing through its attorney, Keith Kauffman, having stipulated
5 as follows:

6 That this Final Judgment and Permanent Injunction (“Judgment”) may be signed by any
7 judge of the Alameda County Superior Court; and

8 That Plaintiff has filed its Complaint in this matter pursuant to California Business and
9 Professions Code sections 17200 et seq. and 17500 et seq.; and

10 That this Judgment is entered by the Court without the taking of proof and without trial or
11 adjudication of fact or law, without this Judgment constituting evidence of or an admission or
12 denial by iHeartMedia, Inc. regarding any issue of law or fact alleged in the Complaint, without
13 iHeartMedia, Inc. either admitting or denying any liability regarding allegations of violations that
14 occurred prior to entry of this Judgment, and with all parties having waived their right to appeal,
15 and the Court having considered the matter and good cause appearing:

16 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

17 **I. PARTIES AND JURISDICTION**

18 1. Plaintiff is the People of the State of California in this case.

19 2. Defendant iHeartMedia, Inc. is a Delaware corporation with its principal office
20 located at 20880 Stone Oak Parkway, San Antonio, Texas 78258.

21 3. This Court has jurisdiction over the subject matter of this action and jurisdiction
22 over the parties to this action; venue is proper in this County; and this Court has jurisdiction to
23 enter this Judgment.

24 4. Defendant, at all relevant times, has transacted business in the State of California,
25 including, but not limited to, the County of Alameda.

26 5. This Judgment is entered pursuant to and subject to Business and Professions Code
27 section 17200 et seq., and Business and Professions Code section 17500 et seq.

28 **II. DEFINITIONS**

1 6. For purposes of this Judgment, the following definitions shall apply:

2 a. “COVERED CONDUCT” shall mean any and all alleged acts or practices relating
3 to iHeartMedia, Inc.’s recording endorsements of the Google Pixel 4 by its on-air
4 radio personalities, and, from October 2019 through March 2020, airing those
5 endorsements, which the California Attorney General alleges violated the Unfair
6 Competition Law and False Advertising Law.

7 b. “EFFECTIVE DATE” shall be the date of filing of the Complaint in this action.

8 c. “ENDORSEMENT” shall mean any advertising message (including verbal
9 statements, demonstrations, or depictions of the name, signature, likeness or other
10 identifying personal characteristics of an individual or the name or seal of an
11 organization) that consumers are likely to believe reflects the opinions, beliefs,
12 findings, or experiences of a party other than the sponsoring advertiser, even if the
13 views expressed by that party are identical to those of the sponsoring advertiser.

14 d. “ENDORSER” shall mean the party whose opinions, beliefs, findings, or
15 experience an ENDORSEMENT message appears to reflect, and may be an
16 individual, group, or institution.

17 **III. BACKGROUND**

18 7. Plaintiff filed its Complaint for Permanent Injunction, Civil Penalties, Restitution,
19 and Other Equitable Relief alleging that Defendant violated the False Advertising Law and Unfair
20 Competition Law by having some of its radio personalities advertise Google’s Pixel 4 cell phones
21 as though the Radio Personalities owned or regularly used them, and used them to take photos at
22 night, even though many had not.

23 8. The parties have agreed to resolve this matter as follows.

24 **IV. INJUNCTIVE RELIEF**

25 9. The duties, responsibilities, burdens, and obligations undertaken in connection
26 with this Judgment shall apply to iHeartMedia, Inc.

27 10. The injunctive terms contained in this Judgment are being entered pursuant to
28 Business & Professions Code sections 17203 and 17535.

1 11. iHeartMedia, Inc., and iHeartMedia, Inc.’s officers, agents, employees, and
2 attorneys, and all other persons in active concert or participation with any of them, who receive
3 actual notice of this Judgment, whether acting directly or indirectly, shall:

- 4 a. Comply with Business & Professions Code section 17200 et seq. and Business &
5 Professions Code section 17500 et seq. in connection with the advertising,
6 promotion, offering for sale, or sale of any iHeartMedia product or service in
7 California.
- 8 b. Comply with the Federal Trade Commission’s Guides Concerning the Use of
9 Endorsements and Testimonials in Advertising, 16 C.F.R. Part 255, including but
10 not limited to, ensuring that ENDORSEMENTS reflect the honest opinions,
11 findings, beliefs, or experience of the endorser, in connection with the advertising,
12 promotion, offering for sale, or sale of any consumer product or service in
13 California.
- 14 c. In connection with the advertising or promotion of any consumer product or
15 service, not make any misrepresentation, expressly or by implication:
- 16 i. That an ENDORSER has owned or used the product or service; or
17 ii. About an ENDORSER’S experience with the product or service.

18 12. Compliance Reports and Notices to the Attorney General: iHeartMedia, Inc. shall
19 make timely submissions to the California Attorney General:

- 20 a. One hundred eighty (180) days after the issuance date of this Judgment, and
21 each year thereafter, for ten (10) years, iHeartMedia, Inc. must submit a
22 compliance report, sworn under penalty of perjury, in which it must: (a)
23 identify the primary physical, postal, and email address and telephone number,
24 as designated points of contact, which representatives of the California
25 Attorney General may use to communicate with iHeartMedia, Inc.; (b) identify
26 all of iHeartMedia, Inc.’s businesses by all of their names, primary telephone
27 numbers, and primary physical, postal, email, and Internet addresses; (c)
28 describe the activities of each business, including the goods and services

1 offered, and the means of advertising, marketing, and sales; and (d) describe in
2 detail whether and how iHeartMedia, Inc. is in compliance with each Provision
3 of this Judgment, including a discussion of all of the changes iHeartMedia, Inc.
4 made to comply with the Judgment; and (e) provide a copy of each
5 Acknowledgment of the Judgment obtained pursuant to this Judgment, unless
6 previously submitted to the California Attorney General.

- 7 b. iHeartMedia, Inc. must submit a compliance notice, sworn under penalty of
8 perjury, within fourteen (14) days of any change in: (a) any designated point of
9 contact; or (b) the structure of iHeartMedia, Inc. or any entity iHeartMedia,
10 Inc. has any ownership interest in or controls directly or indirectly that may
11 affect compliance obligations arising under this Judgment, including: creation,
12 merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate
13 that engages in any acts or practices subject to this Judgment.
- 14 c. iHeartMedia, Inc. must submit notice of the filing of any bankruptcy petition,
15 insolvency proceeding, or similar proceeding by or against iHeartMedia, Inc.
16 within fourteen (14) days of its filing.
- 17 d. Any submission to the California Attorney General required by this Judgment
18 to be sworn under penalty of perjury must be true and accurate and comply
19 with Code of Civil Procedure section 2015.5, such as by concluding: “I certify
20 (or declare) under penalty of perjury under the laws of the State of California
21 that the foregoing is true and correct.” and supplying the date, signatory’s full
22 name, and signature.

23 13. Compliance Monitoring: For the purposes of monitoring iHeartMedia, Inc.’s
24 compliance with this Judgment:

- 25 a. Within fifteen (15) business days of receipt of a written request from a
26 representative of the California Attorney General, iHeartMedia, Inc. must submit
27 additional compliance reports or other requested information, which must be
28 sworn under penalty of perjury, and produce records for inspection and copying.

- 1 b. For matters concerning this Judgment, representatives of the California Attorney
2 General are authorized to communicate directly with iHeartMedia, Inc.
3 iHeartMedia, Inc. must permit representatives of the California Attorney General
4 to interview anyone affiliated with iHeartMedia, Inc. who has agreed to such an
5 interview. The interviewee may have counsel present.
- 6 c. The California Attorney General may use all other lawful means, including posing
7 through its representatives as consumers, suppliers, or other individuals or entities,
8 to iHeartMedia, Inc. or any individual or entity affiliated with iHeartMedia, Inc.,
9 without the necessity of identification or prior notice. Nothing in this Judgment
10 limits the California Attorney General’s lawful use of compulsory process,
11 pursuant to Government Code section 11180 et seq., and Business & Professions
12 Code sections 17200 et seq. and 17500 et seq.

13 14. Cooperation: iHeartMedia, Inc. must fully cooperate with representatives of the
14 California Attorney General in any investigation or case related to or associated with the
15 transactions or the occurrences that are the subject of the Complaint. iHeartMedia, Inc. must
16 provide truthful and complete information, evidence, and testimony. iHeartMedia, Inc. must
17 cause its officers, employees, representatives, or agents to appear for interviews, discovery,
18 hearings, trials, and any other proceedings that a California Attorney General representative may
19 reasonably request upon five (5) days’ written notice, or other reasonable notice, at such places
20 and times as a California Attorney General representative may designate, without the service of a
21 subpoena.

22 15. Recordkeeping: iHeartMedia, Inc. must create certain records for ten (10) years
23 after the issuance date of the Judgment, and retain each such record for five (5) years, unless
24 otherwise specified below. Specifically, iHeartMedia, Inc., for any business that iHeartMedia,
25 Inc. is a majority owner or controls directly or indirectly, must create and retain the following
26 records:

- 27 a. Accounting records showing the revenues from all advertisements or other
28 services sold by iHeartMedia, Inc.;

- 1 b. Personnel records showing, for each person providing services in relation to any
2 aspect of the Judgment, whether as an employee or otherwise, that person's:
3 name; addresses; telephone numbers; job title or position; dates of service; and (if
4 applicable) the reason for termination;
- 5 c. Copies or records of all consumer or other complaints concerning the subject
6 matter of this Judgment, whether received directly or indirectly, such as through a
7 third party, and any response;
- 8 d. All records necessary to demonstrate full compliance with each provision of this
9 Judgment, including all submissions to the California Attorney General;
- 10 e. Copies of all materials used by iHeartMedia, Inc. to train or otherwise educate any
11 of its principals, officers, directors, managers, employees, agents, or
12 representatives regarding iHeartMedia, Inc.'s policies with respect to
13 endorsements subject to this Judgment; and records reflecting which individuals
14 received such training or educational materials, the date(s) that the individuals
15 received such training or educational materials, and an indication of which training
16 or educational materials were provided;
- 17 f. For any endorsement subject to this Judgment that is provided by Respondent or
18 its officers, employees, representatives, agents, or independent contractors: (a)
19 records indicating the endorser's name and contact information used to
20 communicate with the endorser; (b) records indicating the amount(s) and value(s)
21 of everything the endorser was paid or given in connection with the endorsement;
22 (c) records indicating whether the endorser was provided with the endorsed
23 product or service; and (d) a copy of each unique endorsement by the endorser;
24 and
- 25 g. A copy of each unique advertisement or other marketing material making a
26 representation subject to this Judgment.

27 16. Acknowledgements of the Judgment:
28

- 1 a. iHeartMedia, Inc., within ten (10) days after the EFFECTIVE DATE of this
2 Judgment, must submit to the California Attorney General an acknowledgment of
3 receipt of this Judgment sworn under penalty of perjury.
- 4 b. For ten (10) years after the issuance date of this Judgment, iHeartMedia, Inc. must
5 deliver a copy of this Judgment to: (1) all principals, officers, directors, and
6 iHeartMedia, Inc. managers and members; (2) all employees, agents, and
7 representatives having managerial responsibilities for conduct related to the
8 subject matter of the Judgment; and (3) any business entity resulting from any
9 change in structure as set forth in the Provision titled Compliance Reports and
10 Notices. Delivery must occur within forty-five (45) days after the EFFECTIVE
11 DATE of this Judgment for current personnel. For all others, delivery must occur
12 before they assume their responsibilities.
- 13 c. From each individual or entity to which iHeartMedia, Inc. delivered a copy of this
14 Judgment, iHeartMedia, Inc. must obtain, within thirty (30) days, a signed and
15 dated acknowledgment of receipt of this Judgment.

16
17 **V. MONETARY PAYMENT**

18 17. No later than thirty (30) days after the EFFECTIVE DATE, iHeartMedia, Inc.
19 shall pay a total of four hundred thousand (\$400,000) to be divided and paid by iHeartMedia, Inc.
20 directly to the California Attorney General in the amount of \$124,919.41. Payment to the
21 Attorney General of the State of California shall be made within ten (10) calendar days of
22 receiving written payment processing instructions from the Attorney General of the State of
23 California. Said payment shall be allocated and used in accordance with Section 17206 of the
24 Business and Professions Code.

25 **VI. RELEASE**

26 18. Following full payment of the amounts due under this Judgment, the California
27 Attorney General shall release and discharge iHeartMedia, Inc. from all civil claims that it could
28 have brought based on the known COVERED CONDUCT under California Business and

1 Professions Code sections 17200 et seq. and 17500 et seq. Nothing contained in this paragraph
2 shall be construed to limit the ability of the California Attorney General to enforce the obligations
3 that iHeartMedia, Inc. has under this Judgment.

4 19. Notwithstanding any term of this Judgment, any and all of the following forms of
5 liability are specifically reserved and excluded from the release in Paragraph 15 as to any entity
6 or person, including iHeartMedia, Inc.:

7 a. Any criminal liability that any person or entity, including iHeartMedia, Inc., has or
8 may have.

9 b. Any civil or administrative liability that any person or entity, including
10 iHeartMedia, Inc., has or may have to the States under any statute, regulation, or
11 rule giving rise to, any and all of the following claims:

12 i. State or federal antitrust violations;

13 ii. State or federal securities violations; or

14 iii. State or federal tax claims.

15 20. Nothing in this Judgment shall be construed as excusing or exempting
16 iHeartMedia, Inc. from complying with any state or federal law, rule, or regulation, nor shall any
17 of the provisions of this Judgment be deemed to authorize or require iHeartMedia, Inc. to engage
18 in any acts or practices prohibited by any law, rule, or regulation.

19 21. Nothing in this Judgment shall be construed to settle, release, or resolve any claims
20 individual consumers have or may have under the under California Business and Professions
21 Code sections 17200 et seq. and 17500 et seq., and any claims individual consumers may have
22 against any person and/or entity, including iHeartMedia, Inc.

23 **VII. GENERAL PROVISIONS**

24 22. Nothing in the Stipulation or this Judgment shall be construed to exonerate any
25 failure to comply with any provision of this Judgment after the EFFECTIVE DATE, or to
26 compromise the authority of the California Attorney General to initiate a proceeding for any
27 failure to comply with this Stipulation or Judgment.
28

1 23. Nothing in the Stipulation or this Judgment shall be construed to limit the
2 authority or ability of the California Attorney General to protect the interests of California or the
3 People of the State of California. This Judgment shall not bar the California Attorney General or
4 any other governmental entity from enforcing laws, regulations, or rules against iHeartMedia, Inc.
5 for conduct subsequent to or otherwise not covered by this Judgment. Further, nothing in the
6 Stipulation or this Judgment shall be construed to limit the ability of the California Attorney
7 General to enforce the obligations that iHeartMedia, Inc. has under the Stipulation or this
8 Judgment.

9 24. Nothing in the Stipulation or this Judgment shall be construed as relieving
10 iHeartMedia, Inc. of the obligation to comply with all state and federal laws, regulations, and
11 rules, nor shall any of the provisions of the Stipulation or this Judgment be deemed to be
12 permission to engage in any acts or practices prohibited by such laws, regulations, and rules.

13 25. iHeartMedia, Inc. shall not participate in any activity or form a separate entity or
14 corporation for the purpose of engaging in acts or practices in whole or in part that are prohibited
15 by this Judgment or for any other purpose that would otherwise circumvent any term of this
16 Judgment. iHeartMedia, Inc. shall not knowingly cause, permit, or encourage any other persons
17 or entities acting on its behalf, to engage in practices prohibited by this Judgment.

18 26. If any portion of this Judgment is held invalid or unenforceable, the remaining
19 terms of this Judgment shall not be affected and shall remain in full force and effect.

20 27. Whenever iHeartMedia, Inc. shall provide notice to the California Attorney
21 General under this Judgment, that requirement shall be satisfied by sending notice to: Caroline
22 Wilson, Deputy Attorney General, California Department of Justice, 455 Golden Gate Ave., 11th
23 Fl., San Francisco, CA 94102. Any notices or other documents sent to iHeartMedia, Inc. pursuant
24 to this Judgment shall be sent to the following address: Donna Schneider, SVP & Associate
25 General Counsel, iHeartMedia Legal Department, 20880 Stone Oak Parkway, San Antonio, TX
26 78258. All notices or other documents to be provided under this Judgment shall be sent by
27 United States mail, certified mail return receipt requested, or other nationally recognized courier
28 service that provides for tracking services and identification of the person signing for the notice or

1 document, and shall have been deemed to be sent upon mailing. Any party may update its
2 designee or address by sending written notice to the other party informing them of the change.

3 28. Except as otherwise expressly provided, the terms of this Injunction Order shall
4 remain in full force and effect unless and until modified by an order of this Court. The Court
5 shall retain jurisdiction of this matter for purposes of construction, modification, and enforcement
6 of this Injunction Order.

7 29. The facts alleged in the Complaint will be taken as true, without further proof, in
8 any subsequent civil litigation by or on behalf of the California Attorney General to enforce his
9 rights to any payment pursuant to this Judgment, such as a nondischargeability complaint in any
10 bankruptcy case.

11 30. The facts alleged in the Complaint establish all elements necessary to sustain an
12 action by or on behalf of the California Attorney General pursuant to Section 523(a)(2)(A) of the
13 Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Judgment will have collateral estoppel
14 effect for such purposes.

15 31. The clerk is ordered to enter this Judgment forthwith.

16 **ORDERED AND ADJUDGED at Oakland, California.**

17
18 DATED: _____

19 _____
20 HONORABLE
21 JUDGE OF THE SUPERIOR COURT