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ENDORSED
FILED
Superior Court of California
County of San Francisco

MAY 12 2015

CLERK OF THE COURT

BY: SEAN KANE
Deputy Clerk

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10 *Attorneys for Plaintiff the People of the State of
California*

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 COUNTY OF SAN FRANCISCO

13
14 **PEOPLE OF THE STATE OF
CALIFORNIA,**

15 Plaintiff,

16 v.

17
18 **SPRINT CORPORATION, a corporation,**

19 Defendant.
20

Case No.

CQC-15-545778

**FINAL JUDGMENT AND PERMANENT
INJUNCTION**

21
22 Plaintiff, the People of the State of California, appearing through its attorney, Kamala D.
23 Harris, Attorney General of the State of California, by Sarah E. Kurtz, Deputy Attorney General,
24 (hereinafter collectively "the People" or "Plaintiff"), and Defendant Sprint Corporation, a
25 corporation, (hereinafter collectively referred to as "Sprint," "Defendant" or "Carrier"), appearing
26 through its attorney, Blake Olson of McGuire Woods, having stipulated to the entry of this Final
27 Judgment and Permanent Injunction ("Judgment") by the Court without the taking of proof and
28 without trial or adjudication of any fact or law, without this Judgment constituting evidence of or

1 an admission by Sprint regarding any issue of law or fact alleged in the Complaint on file, and
2 without Sprint admitting any liability, and with all parties having waived their right to appeal, and
3 the Court having considered the matter and good cause appearing:

4 IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

5 **I. PARTIES AND JURISDICTION**

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

7 2. Sprint is the Defendant in this case.

8 3. The Court has jurisdiction over the subject matter of this action, jurisdiction over the
9 parties to this action, and venue is proper in this Court.

10 4. Defendant, at all relevant times, has transacted business in the State of California,
11 including, but not limited to, San Francisco County.

12 5. This Judgment is entered pursuant to and subject to California Business and
13 Professions Code section 17200 et seq.

14 **II. DEFINITIONS**

15 6. The following definitions shall apply for purposes of this Judgment:

16 a. "Account Holder" means any individual or entity responsible for paying all
17 charges associated with all lines on that individual's or entity's mobile phone account with Sprint.

18 b. "Attorneys General"¹ means the Attorneys General, or their designees, of the
19 Participating States.

20 c. "Block" means a restriction placed on a Consumer's account that prevents one
21 or more lines from being used to purchase Third-Party Products and from being charged for
22 Third-Party Charges on a Consumer's Mobile Telephone Bill or Prepaid Account.

23
24
25 ¹ The Georgia Administrator of the Fair Business Practices Act, appointed pursuant to
26 O.C.G.A. 10-1-395, is statutorily authorized to enforce Georgia's Fair Business Practices Act of
27 1975 ("FBPA"). The Utah Division of Consumer Protection is statutorily authorized to enforce
28 all statutes listed in Utah Code 13-2-6, including the Utah Consumer Sales Practices Act, Utah
Code 13-11-1, et seq. Hawaii is represented 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.

1 d. A statement is “Clear and Conspicuous” if it is disclosed in such size, color,
2 contrast, location, duration, and/or audibility that it is readily noticeable, readable,
3 understandable, and/or capable of being heard. A statement may not contradict or be inconsistent
4 with any other information with which it is presented. If a statement modifies, explains or
5 clarifies other information with which it is presented, then the statement must be presented in
6 proximity to the information it modifies, explains or clarifies, in a manner that is readily
7 noticeable, readable, and understandable, and not obscured in any manner. In addition:

8 i. an audio disclosure must be delivered in a volume and cadence sufficient
9 for a Consumer to hear and comprehend it;

10 ii. a television or internet disclosure must be of a type size, location, and
11 shade and remain on the screen for a duration sufficient for a Consumer to read and comprehend
12 it;

13 iii. a disclosure in a print advertisement or promotional material, including,
14 but without limitation, a point of sale display or brochure materials directed to Consumers, must
15 appear in a type size, contrast, and location sufficient for a Consumer to read and comprehend it;
16 and

17 iv. a text message disclosure must be of a type size and format so that
18 consumers can notice and read it on their mobile device.

19 e. “Commercial PSMS” means the use of PSMS to charge for Third-Party
20 Products.

21 f. “Consumer” means a California resident who is a current or former Sprint
22 Account Holder or other authorized subscriber for which Third-Party Charges are or were placed
23 on the Consumer’s Mobile Telephone Bill or Prepaid Account, whether that person is the
24 individual responsible for paying the Mobile Telephone Bill or Prepaid Account, or has a device
25 that is billed to a shared account, or is otherwise authorized to incur charges on the account, and
26 is a resident of one of the Participating States. “Consumer” does not include any business entity
27 or any state, federal, local, or other governmental entity, if (1) the business entity or government,
28 and not the employees or individuals working for or with that business entity or government, is

1 solely liable to Sprint for payment of all charges to that account, and (2) the ability to process
2 Third-Party Charges through that account is not available unless the business entity or
3 government affirmatively requests that certain or all mobile devices be provided the ability to
4 authorize placement of such Third-Party Charges.

5 g. “Effective Date” means the date that the Stipulated Order for Permanent
6 Injunction and Monetary Judgment in the case captioned *Consumer Financial Protection Bureau*
7 *v. Sprint Corporation*, Civil Action No. 14-cv-09931 (“CFPB Stipulated Order”) is entered by the
8 United States District Court for the Southern District of New York. Provided, however, this
9 agreement is binding upon execution.

10 h. “Express Informed Consent” means an affirmative act or statement giving
11 unambiguous assent to be charged for the purchase of a Third-Party Product that is made by a
12 Consumer after receiving a Clear and Conspicuous disclosure of material facts.

13 i. “Mobile Telephone Bill” means a Consumer’s paper or electronic monthly
14 statement of charges for Sprint postpaid wireless service.

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

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

27 l. “Prepaid Account” means a Consumer’s account for wireless service where
28 funds first must be applied to the account, and usage results in deductions from those funds.

1 m. "Short Code" means a common code leased from the CTIA Common Short
2 Code Administration that is comprised of a set of numbers, usually 4 to 6 digits, to and from
3 which text messages can be sent and received using a mobile telephone.

4 n. "Sprint" means Sprint Corporation, including all of Sprint's affiliates,
5 subsidiaries and assigns.

6 o. "Third Party" means an entity or entities, other than Sprint, that provides a
7 Third-Party Product to Consumers for which charges are made through Sprint's Mobile
8 Telephone Bills or deducted from Prepaid Accounts.

9 p. "Third-Party Charge" means a charge for the purchase of a Third-Party Product
10 placed on a Consumer's Mobile Telephone Bill or deducted from a Prepaid Account.

11 q. "Third-Party Product" means content and/or services provided by a Third Party
12 that can be used on a Consumer's mobile device for which charges are placed on the Consumer's
13 Mobile Telephone Bill or deducted from a Prepaid Account by Sprint. "Third-Party Product"
14 excludes contributions to charities, candidates for public office, political action committees,
15 campaign committees, campaigns involving a ballot measure, or other similar contributions.
16 "Third-Party Product" also excludes co-branded and white label products where content and
17 services are sold jointly and cooperatively by Sprint and another entity, where the content and/or
18 services are placed on the Consumer's Mobile Telephone Bill or deducted from a Consumer's
19 Prepaid Account as Sprint charges, and Sprint is responsible for accepting complaints, processing
20 refunds, and other communications with the Consumer regarding the charge. "Third-Party
21 Product" also excludes handset insurance, extended warranty offerings, and collect-calling
22 services.

23 r. "Unauthorized Third-Party Charge" means a Third-Party Charge placed on a
24 Consumer's Mobile Telephone Bill or deducted from a Prepaid Account without the Consumer's
25 Express Informed Consent.

26 **III. PERMANENT INJUNCTIVE RELIEF**

27 7. The provisions of this Judgment shall apply to Sprint and its officers, employees,
28 agents, successors, assignees, merged or acquired entities, wholly-owned subsidiaries, and all

1 other persons or entities acting in concert or participation with Sprint's placement of Third-Party
2 Charges in the Participating States.

3 8. In accordance with section 17203 of the California Business and Professions Code,
4 Defendant shall comply with the following conduct requirements:

5 a. Commercial PSMS: Sprint shall not make available to Consumers the option to
6 purchase Third-Party Products through Commercial PSMS or charge for Commercial PSMS.

7 b. Authorization of Third-Party Charges: Sprint shall immediately begin
8 developing and implementing a system, which shall be fully implemented by Sprint no later than
9 September 15, 2015, to obtain Express Informed Consent before a Consumer is charged for any
10 Third-Party Charge or before funds are deducted from a Prepaid Account. The Consumer's
11 Express Informed Consent may be provided to Sprint or to another person or entity obligated to
12 Sprint to obtain such consent. Sprint or other person or entity shall retain sufficient information
13 to allow such consent to be verified. If Express Informed Consent is not directly collected by
14 Sprint, Sprint shall implement reasonable policies and practices² to confirm Express Informed
15 Consent shall be appropriately collected and documented by the person or entity obligated to do
16 so, and shall monitor and enforce those policies and practices to confirm Express Informed
17 Consent is appropriately collected and documented, and where Express Informed Consent has not
18 been appropriately collected and documented, shall require remedial action (which may include,
19 for example, suspension, proactive credits, or retraining) or cease billing for such charges. While
20 the system described by this Paragraph is being developed and implemented, Sprint shall take
21 reasonable steps to obtain Express Informed Consent before a Consumer is charged for any
22 Third-Party Charge. Such Express Informed Consent shall be kept for the period of at least five
23 (5) years.

24 c. Purchase Confirmation for Third-Party Charges: Beginning no later than
25 September 15, 2015, Sprint shall implement a system whereby the Consumer (and, for multiline

26 ² For purposes of this Paragraph, for charges incurred through operating system
27 storefronts, such reasonable policies and practices may, for example, consist of Sprint or its
28 agents making a statistically valid random sample of purchases to demonstrate whether the
storefront is collecting Express Informed Consent consistent with this Judgment.

1 accounts, the Account Holder, if designated) will be sent a purchase confirmation, separate from
2 the Mobile Telephone Bill or Prepaid Account, of every Third-Party Charge, including recurring
3 charges, that will appear on his or her Mobile Telephone Bill or be deducted from his or her
4 Prepaid Account. Any such purchase confirmation shall be sent within a reasonable period of
5 time following the time a Third-Party Product is purchased or the recurrence of a Third-Party
6 Charge, and shall identify Blocking options that Sprint makes available to Consumers and/or
7 provide access to such information. For multiline accounts, Sprint may provide the Account
8 Holder the option to elect not to receive such purchase confirmations.

9 d. Information on Blocking: Beginning no later than June 1, 2015, Sprint shall
10 provide a Clear and Conspicuous disclosure about Third-Party Charges and Blocking options in
11 informational material provided at or near the time of subscribing to service, and which is
12 provided in a context separate from the actual subscriber agreement document. Such disclosure
13 shall include a description of Third-Party Charges, how Third-Party Charges appear on Mobile
14 Telephone Bills and Prepaid Accounts, and options available to Consumers to Block Third-Party
15 Charges. Consumers, if they are current Sprint customers, shall not incur any data or text charges
16 for receiving or accessing the information when Sprint electronically delivers the disclosure
17 discussed in this subparagraph as the primary means of providing this information to the
18 Consumer; however, if Sprint primarily provides this information through non-electronic means,
19 but the Consumer chooses to also or alternatively access or receive this information via data
20 (e.g., a web browser, or by email), then standard data rates may apply.

21 e. Billing Information and Format: No later than the Effective Date:

22 i. All Third-Party Charges shall be presented in a dedicated section of the
23 Consumer's Mobile Telephone Bill (or in a dedicated section for each mobile line on the account,
24 if the Mobile Telephone Bill sets forth charges by each line) and shall be set forth in such a
25 manner as to distinguish the Third-Party Charges contained therein from Sprint's service, usage
26 and other charges. This section of the Consumer's Mobile Telephone Bill shall contain a heading
27 that Clearly and Conspicuously identifies that the charges are for Third-Party Products; and
28

1 ii. the Third-Party Charge billing section required by this Paragraph shall
2 include a Clear and Conspicuous disclosure of a Consumer's ability to Block Third-Party
3 Charges, including contact and/or access information that Consumers may use to initiate such
4 Blocking. If Sprint includes a Third-Party Charge billing section for each mobile line on the
5 account, Sprint shall have the option to include the disclosure of a Consumer's ability to Block
6 Third-Party Charges in only the first Third-Party Charge billing section that appears on the
7 Mobile Telephone Bill, rather than in all Third-Party Charge billing sections.

8 f. Consumer Contacts: When a Consumer contacts Sprint with regard to a Third-
9 Party Charge or a Block, Sprint shall:

10 i. provide the Consumer with access to a customer service representative
11 who shall have access to the Consumer's account information for at least the prior twelve (12)
12 months;

13 ii. beginning no later than thirty (30) days after the Effective Date, for any
14 Consumer who claims that he or she did not authorize a Third-Party Charge incurred after the
15 Effective Date, either (1) provide the Consumer a full refund or credit of any and all disputed
16 Third-Party Charges not previously credited or refunded to the Consumer, or (2) deny a refund if:

17 A. Sprint has information demonstrating that the Consumer provided
18 Express Informed Consent to the Third-Party Charge, offers to provide such information to the
19 Consumer, and, upon request, provides such information to the Consumer; or

20 B. the last disputed Third-Party Charge for the particular Third-Party
21 Product at issue (either a single charge or a recurring charge) was incurred more than three (3)
22 months prior to when the Consumer contacted Sprint, and Sprint is in compliance with Paragraph
23 12 with respect to the charge;

24 iii. if the Consumer claims that he or she did not authorize a Third-Party
25 Charge, and the Consumer is a current customer of Sprint, offer the Consumer the opportunity to
26 Block future Third-Party Charges;

27 iv. if the Consumer is not satisfied with the relief obtained under the process
28 contained in subparagraph (ii) of this Paragraph 8.f:

1 A. offer the Consumer the opportunity to receive a full refund if the
2 Consumer submits his or her request in writing via U.S. Mail, email or web-based form affirming
3 that he or she did not authorize such charge, and provide such refund, unless Sprint can
4 demonstrate fraud or misrepresentation in connection with the claim.

5 B. This subparagraph (iv) shall expire four (4) years from the Effective
6 Date.

7 v. beginning no later than the Effective Date, not require the Consumer to
8 first contact the Third Party in order to receive a refund/credit of any claimed Unauthorized
9 Third-Party Charge, although this subparagraph does not prohibit asking the Consumer if he or
10 she has contacted the Third Party and/or if the Consumer has already received a credit or refund
11 from the Third Party for some or all of the claimed Unauthorized Third-Party Charge; and

12 vi. in the event a Consumer disputes a Third-Party Charge as unauthorized,
13 until such time as the provisions of subparagraph 8.f.ii.A or B are satisfied, not:

14 A. require the Consumer to pay the disputed Third-Party Charge,
15 including any related late charge or penalty;

16 B. send the disputed Third-Party Charge to collection;

17 C. make any adverse credit report based on non-payment of the
18 disputed Third-Party Charge; and/or

19 D. suspend, cancel, or take any action that may adversely affect the
20 Consumer's mobile telephone service or functionality for any reason related to non-payment of
21 the disputed Third-Party Charge. The remedies in this subparagraph 8.f.vi are inapplicable to
22 Consumer complaints involving dissatisfaction with purchases where the Consumer does not
23 dispute that the Consumer authorized the purchase.

24 g. Training: Sprint shall, for at least six (6) years from the Effective Date, conduct
25 a training program with its customer service representatives, at least annually, to administer the
26 requirements of this Judgment. To the extent that Sprint no longer permits Third-Party Charges
27 on Consumers' Mobile Telephone Bills or the deduction of Third-Party Charges on Consumers'
28 Prepaid Accounts, Sprint shall conduct one training program within three (3) months of such

1 cessation and shall have no further obligation to conduct training programs under this Paragraph
2 so long as Sprint does not permit Third-Party Charges on Consumers' Mobile Telephone Bills or
3 the deduction of Third-Party Charges on Consumers' Prepaid Accounts.

4 h. Cooperation with California Attorney General: Sprint shall designate a contact
5 to whom the California Attorney General may provide information regarding any concerns about
6 Unauthorized Third-Party Charges, and from whom the California Attorney General may request
7 information and assistance in investigations. Such information and assistance shall include
8 information regarding the identity of Third Parties placing charges on Sprint's Mobile Telephone
9 Bills or deducting Third-Party Charges from Consumers' Prepaid Accounts, revenue from such
10 Third Party, refunds provided relating to the Third Party, any audits conducted of the Third Party
11 (to the extent not protected by attorney-client privilege or attorney work product), and any
12 applications or other information provided by the Third Party, to the extent that Sprint has access
13 to such information. Sprint shall provide such information within a reasonable period and shall
14 cooperate in good faith with such requests, including investigating any reports of Unauthorized
15 Third-Party Charges Sprint receives from the California Attorney General.

16 i. Information Maintained by Sprint: Beginning no later than September 15, 2015,
17 Sprint shall implement systems that allow it to maintain and report the refund/credit information
18 created pursuant to subparagraphs 8.f.ii and iv. Sprint shall maintain such records for at least five
19 (5) years from the date of their creation. Sprint's obligation to maintain records for five (5) years
20 from the date of their creation shall continue after Sprint's obligation to provide the Quarterly
21 Reports described in Paragraph 8.j expires.

22 j. Information Sharing with Attorneys General:

23 i. As of September 15, 2015, Sprint shall, for at least four (4) years, provide
24 a report to the Office of the Vermont Attorney General every three (3) months ("Quarterly
25 Reports") documenting its compliance with the requirements of Paragraph 8.f. Without limiting
26 Sprint's obligations under Paragraph 8.f, the quarterly reports shall include the following:

27 A. the total number of Consumer claims for Unauthorized Third-Party
28 Charges for which Sprint has demonstrated that the purchaser provided Express Informed

1 Consent or for which Sprint has demonstrated that the claim was untimely under subparagraph
2 8.f.ii.B;

3 B. all refunds/credits provided, in dollars, due to Sprint's inability to
4 provide proof of Express Informed Consent in response to such a claim by Consumers;

5 C. all other refunds/credits provided, in dollars;

6 D. for the claims and refunds/credits identified under subparagraphs
7 8.j.i.B and C above, the Third-Party Product, the Third Party, and the entity responsible for
8 ensuring Express Informed Consent from the Consumer, if different than Sprint; and

9 E. a description of any remedial action taken by Sprint against Third
10 Parties for Unauthorized Third-Party Charges, including, but not limited to, any actions taken to
11 limit or terminate a Third Party's ability to place Third-Party Charges on a Consumer's Mobile
12 Telephone Bill or deduct amounts from the Consumer's Prepaid Account. The description of
13 any remedial action provided under this subparagraph shall include: (a) the name and contact
14 information of such Third Party, (b) a description of the Third-Party Product in connection with
15 which the remedial action was taken, (c) an indication of whether the Third-Party Product was
16 suspended or terminated (and if suspended, Sprint shall include the date or conditions for
17 reinstatement), and (d) the reason for the remedial action.

18 ii. Information in Quarterly Reports shall be presented on a national basis
19 and provided electronically in a format to be agreed to by the parties. Quarterly Reports shall be
20 provided within thirty (30) days of the end of each calendar quarter.

21 **IV. MONETARY PAYMENT**

22 9. Within thirty (30) days of the Effective Date of this Judgment, Defendant shall pay
23 \$549,731.29 directly to the California Attorney General. Said payment shall be used by the
24 California Attorney General for attorneys' fees and other costs of investigation and litigation;
25 used to defray costs of the inquiry leading to this Final Judgment; used for the California
26 Attorney General's enforcement of California's consumer protection laws; used for consumer
27 education; or used for any other purposes permitted by state law, at the sole discretion of the
28 California Attorney General.

1 10. Within one hundred and twenty (120) days of the conclusion of the Redress Period
2 described by the Consumer Redress Plan referred to in Section III of the CFPB Stipulated Order
3 resolving the concurrent CFPB investigation of Sprint regarding Unauthorized Third-Party
4 Charges, Sprint shall provide the Attorneys General with a list containing the following
5 information for each of the Participating States: (a) the number of claims submitted to the
6 Consumer redress program by Consumers residing in the Participating State; (b) the number of
7 claims submitted to the Consumer redress program by Consumers residing in the Participating
8 State for which Sprint made redress; and (c) the total amount of redress given to Consumers
9 residing in the Participating State pursuant to the Consumer redress program.

10 11. The parties recognize that, in addition to the payment provided under Paragraph 9,
11 Sprint has agreed to pay Six Million Dollars (\$6,000,000.00) to the Federal Communications
12 Commission ("FCC") to resolve the concurrent FCC investigation of Sprint regarding
13 Unauthorized Third-Party Charges.

14 12. The parties recognize that Sprint has agreed to the Consumer Redress Plan referred to
15 in Section III of the CFPB Stipulated Order, which sets forth a process for providing Consumers
16 with redress of up to Fifty Million Dollars (\$50,000,000.00). This Judgment does not alter,
17 amend, replace, or expand the Consumer Redress Plan referred to in Section III of the CFPB
18 Stipulated Order. To the extent residual monies remain at the cessation of the Redress Period, the
19 Participating States will collaborate with the FCC and CFPB in determining how to dispose of the
20 funds, including whether additional restitution is practicable. To the extent the CFPB transfers
21 any residual amounts to California following the cessation of the Redress Period, California shall
22 use such money in the manner and for the purposes identified in Paragraph 9 above.

23 13. Sprint shall make payments to the Participating States, CFPB, FCC, and Consumers
24 in an aggregate amount of no more than Sixty-Eight Million Dollars (\$68,000,000.00).

25 **V. RELEASE**

26 14. Effective upon full payment of the amount due under Paragraph 9, the California
27 Attorney General releases and discharges Sprint and its officers, employees, agents, successors,
28 assignees, affiliates, merged or acquired entities, parent or controlling entities, and subsidiaries

1 from any and all claims, suits, demands, damages, restitution, penalties, fines, actions, and other
2 causes of action that the California Attorney General could have brought under California
3 Business and Professions Code Section 17200, both known and unknown, arising directly or
4 indirectly out of or related to billing, charging, disclosures, policies, practices, actions or
5 omissions related to PSMS or Unauthorized Third-Party Charges that were incurred prior to the
6 Effective Date. In the case of affiliates, acquired entities, or subsidiaries, this release only covers
7 conduct occurring during the time such entities are or were affiliates or subsidiaries of Sprint.
8 Further, nothing contained in this Paragraph shall be construed to limit the ability of the
9 California Attorney General to enforce the obligations that Sprint and its officers, agents, servants
10 and employees acting on its behalf, have under this Judgment.

11 15. Nothing in this Judgment shall be construed to create, waive, or limit any private right
12 of action.

13 16. Notwithstanding any term of this Judgment, any and all of the following forms of
14 liability are specifically reserved and excluded from the release in Paragraph 14 as to any entity
15 or person, including Sprint:

16 a. any criminal liability that any person or entity, including Sprint, has or may
17 have to the State of California;

18 b. any civil or administrative liability that any person or entity, including Sprint,
19 has or may have to the State of California under any statute, regulation or rule not expressly
20 covered by the release in Paragraph 14 above, including but not limited to, any and all of the
21 following claims:

22 i. state or federal antitrust violations;

23 ii. state or federal securities violations; and

24 iii. state or federal tax claims.

25 VI. GENERAL PROVISIONS

26 17. This Judgment is a compromise settlement of disputed issues and that the
27 consideration for this Judgment shall not be deemed or construed as: (a) an admission of the truth
28 or falsity of any claims or allegations heretofore made or any potential claims; (b) an admission

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

10 18. Unless otherwise specifically provided, all actions required pursuant to this Judgment
11 shall commence as of the Effective Date. In the event that Sprint acquires any new entity, Sprint
12 shall take immediate steps to cease charging for all Commercial PSMS through such newly
13 acquired entity. With respect to any such entities, Sprint shall provide Consumers with access to
14 a customer service representative who shall have access to Consumer's account information
15 related to Third-Party Charges for at least the prior twelve (12) months. If such information is not
16 available, Sprint shall have twelve (12) months to come into compliance with Paragraph 8.f.i with
17 respect to such entities and, while coming into compliance, shall respond to the Consumers'
18 inquiries within ten (10) days using available information. As to all other requirements contained
19 in this Judgment, Sprint shall have a reasonable period of time, which in no event shall exceed six
20 (6) months, in which to bring said entity into compliance with this Judgment, and during that
21 period, Sprint shall take reasonable steps to obtain Express Informed Consent before a Consumer
22 is charged for any Third-Party Charge.

23 19. Nothing in this Judgment limits Sprint's right, at its sole discretion, to provide
24 refunds or credits to Consumers in addition to what is required in this Judgment. Further, nothing
25 in any provision of this Judgment shall be read or construed to require Sprint (a) to share
26 customer proprietary network information ("CPNI") with any person not legally entitled to
27 receive CPNI; (b) to share customer information in such way that it would violate any applicable
28 law or privacy policy; or (c) to grant more than one full refund for any single Unauthorized Third-

1 Party Charge. Sprint shall not amend its privacy policy to excuse its compliance with the
2 reporting, tracking, or other provisions of this Judgment related to the sharing of customer
3 information unless required by law.

4 20. If the California Attorney General determines that Sprint has failed to comply with
5 any of the terms of this Judgment, and if in the California Attorney General's sole discretion the
6 failure to comply does not threaten the health or safety of the citizens of California and/or does
7 not create an emergency requiring immediate action, the California Attorney General will notify
8 Sprint in writing of such failure to comply and Sprint shall then have ten (10) business days from
9 receipt of such written notice to provide a good faith written response to the California Attorney
10 General's determination. The response shall include an affidavit containing, at a minimum, either:
11 (a) a statement explaining why Sprint believes it is in full compliance with the Judgment; or (b) a
12 detailed explanation of how the alleged violation(s) occurred; and (i) a statement that the alleged
13 breach has been addressed and how; or (ii) a statement that the alleged breach cannot be
14 reasonably addressed within ten (10) business days from receipt of the notice, but (1) Sprint has
15 begun to take corrective action to address the alleged breach; (2) Sprint is pursuing such
16 corrective action with reasonable and due diligence; and (3) Sprint has provided the California
17 Attorney General with a detailed and reasonable time table for addressing the alleged violation(s).

18 21. Nothing herein shall prevent the California Attorney General from agreeing in writing
19 to provide Sprint with additional time beyond the ten (10) business day period to respond to the
20 notice provided under Paragraph 20.

21 22. Nothing herein shall be construed to exonerate any contempt or failure to comply
22 with any provision of this Judgment after the date of its entry, to compromise the authority of the
23 California Attorney General to initiate a proceeding for any contempt or other sanctions for
24 failure to comply, or to compromise the authority of a court to punish as contempt any violation
25 of this Judgment. Further, nothing in this Paragraph shall be construed to limit the authority of
26 the California Attorney General to protect the interests of California or the people of California.

27 23. Sprint shall designate one or more employees to act as the primary contact for the
28 California Attorney General for purposes of assisting the California Attorney General in

1 investigations. The contact employee(s) designated by Sprint pursuant to this Paragraph shall be
2 capable of receiving and processing subpoenas, statutory investigative demands, or other legal
3 process requesting information pertaining to the placement of Third-Party Charges on
4 Consumers' Mobile Phone Bill or Prepaid Account. Sprint shall provide the California Attorney
5 General with the name(s), address(es), telephone number(s), facsimile number(s) and electronic
6 mail address(es) of each such employee.

7 24. This Judgment is intended to supplement, and does not supplant or in any way
8 restrict, the California Attorney General's subpoena power and/or investigative authority pursuant
9 to applicable law.

10 25. This Judgment does not supplant or in any way restrict the California Attorney
11 General's powers to investigate the prevalence of Unauthorized Third-Party Charges or the extent
12 to which this Judgment has affected the prevalence of Unauthorized Third-Party Charges in
13 his/her jurisdiction.

14 26. This Judgment does not supplant or in any way restrict Sprint's legal rights and
15 ability to demand formal legal process to protect its Consumers' privacy rights and/or to protect
16 Sprint from potential liability for disclosing or sharing such information without legal process.

17 27. All Notices under this Judgment shall be provided to the following address via First
18 Class or Electronic Mail:

19
20 Sarah E. Kurtz
21 Deputy Attorney General
22 Office of the Attorney General
23 455 Golden Gate Avenue, Suite 11000
24 San Francisco, CA 94102-7004

25 For the California Attorney General

26 Sprint General Counsel, Legal Department
27 6200 Sprint Parkway
28 Overland Park, Kansas 66251

For Sprint

1 28. If any clause, provision or paragraph of this Judgment shall, for any reason, be held
2 illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any
3 other clause, provision, or paragraph of this Judgment and this Judgment shall be construed and
4 enforced as if such illegal, invalid or unenforceable clause, provision, or paragraph had not been
5 contained herein.

6 29. Nothing in this Judgment shall be construed as relieving Sprint of the obligation to
7 comply with all local, state and federal laws, regulations or rules, nor shall any of the provisions
8 of this Judgment be deemed to be permission to engage in any acts or practices prohibited by such
9 laws, regulations, or rules.

10 30. Sprint shall not participate, directly or indirectly, in any activity or form a separate
11 entity or corporation for the purpose of engaging in acts or practices in whole or in part in
12 California that are prohibited by this Judgment or for any other purpose that would otherwise
13 circumvent any term of this Judgment. Sprint shall not cause, knowingly permit, or encourage
14 any other persons or entities acting on its behalf, to engage in practices from which Sprint is
15 prohibited by this Judgment.

16 31. If the California Attorney General determines that Sprint made any material
17 misrepresentation or omission relevant to the resolution of this investigation, the California
18 Attorney General retains the right to seek modification of this Judgment.

19 32. In the event that any statute or regulation pertaining to the subject matter of this
20 Judgment is modified, enacted, promulgated, or interpreted by the federal government or any
21 federal agency, such as the FCC, such that Sprint cannot comply with both the statute or
22 regulation and any provision of this Judgment, Sprint may comply with such statute or regulation,
23 and such action shall constitute compliance with the counterpart provision of this Judgment.
24 Sprint shall provide advance written notice to the Attorney General of California of the
25 inconsistent provision of the statute or regulation with which Sprint intends to comply under this
26 Paragraph, and of the counterpart provision of this Judgment that conflicts with the statute or
27 regulation.

1 33. In the event that any statute or regulation pertaining to the subject matter of this
2 Judgment is modified, enacted, promulgated or interpreted by California, such that the statute or
3 regulation is in conflict with any provision of this Judgment, and such that Sprint cannot comply
4 with both the statute or regulation and the provision of this Judgment, Sprint may comply with
5 such statute or regulation in California, and such action shall constitute compliance with the
6 counterpart provision of this Judgment. Sprint shall provide advance written notice to both the
7 Attorney General of Vermont and the Attorney General of California, of the inconsistent
8 provision of the statute or regulation with which Sprint intends to comply under this Paragraph,
9 and of the counterpart provision of this Judgment that is in conflict with the statute or regulation.

10 34. To seek a modification of this Judgment for any reason other than that provided for in
11 Paragraphs 32 or 33 of this Judgment, Sprint shall send a written request for modification to the
12 addressee listed in Paragraph 27. Plaintiff shall give such petition reasonable consideration and
13 shall respond to Sprint within thirty (30) days of receiving such request. At the conclusion of this
14 thirty (30) day period, Sprint reserves all rights to pursue any legal or equitable remedies that may
15 be available to it.

16 35. To the extent that any of the provisions contained herein permit implementation
17 beyond the Effective Date, the parties have agreed to the delayed implementation of such
18 provisions based on Sprint's representation that it is currently unable to meet the requirements of
19 such provisions and that it needs the additional specified time to develop the necessary technical
20 capabilities to come into compliance with the requirements of such provisions. Sprint agrees to
21 make good-faith and reasonable efforts to come into compliance with any such provisions prior to
22 the implementation dates set by such provisions to the extent commercially practicable.

23 36. Sprint shall pay all court costs associated with the filing of this Judgment.

24 37. Jurisdiction is retained by the Court for the purpose of enabling any party to the
25 Judgment to apply to the Court at any time for such further orders and directions as may be
26 necessary or appropriate for the construction or the carrying out of this Judgment, for the
27 modification of any of the injunctive provisions hereof, for enforcement of compliance herewith,
28 and for the punishment of violations hereof, if any.

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38. The clerk is ordered to enter this Judgment forthwith.

ORDERED AND ADJUDGED at San Francisco, California, this 12 day of May, 2015.

ERNEST H. GOLDSMITH

Judge of the Superior Court