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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

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

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF SAN FRANCISCO

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

Plaintiff,

15
16 v.

17
18 **CELLCO PARTNERSHIP d/b/a/
19 VERIZON WIRELESS, a partnership,**

20 Defendant.
21

Case No. CGC-15-545779

FINAL JUDGMENT AND PERMANENT INJUNCTION

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 Cellco Partnership d/b/a
25 Verizon Wireless, a partnership, (hereinafter collectively referred to as "Verizon," "Defendant" or
26 "Carrier"), appearing through its attorney, Fredrick S. Levin of BuckleySandler, having stipulated
27 to the entry of this Final Judgment and Permanent Injunction ("Judgment") by the Court without
28 the taking of proof and without trial or adjudication of any fact or law, without this Judgment

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

5 IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

6 **I. PARTIES AND JURISDICTION**

- 7 1. The People of the State of California is the Plaintiff in this case.
8 2. Verizon is the Defendant in this case.
9 3. The Court has jurisdiction over the subject matter of this action, jurisdiction over the
10 parties to this action, and venue is proper in this Court.
11 4. Defendant, at all relevant times, has transacted business in the State of California,
12 including, but not limited to, San Francisco County.
13 5. This Judgment is entered pursuant to and subject to California Business and
14 Professions Code section 17200 et seq.

15 **II. DEFINITIONS**

- 16 6. The following definitions shall apply for purposes of this Judgment:
17 a. "Account Holder" means any individual or entity who is or was responsible for
18 paying all charges associated with all lines on that individual's or entity's mobile phone account
19 with Carrier.
20 b. "Attorneys General"¹ means the Attorneys General, or their designees, of the
21 Participating States.

22 ¹ "Attorney General" and "Attorneys General" shall mean, as it relates to Georgia, the
23 Administrator of the Fair Business Practices Act of 1975 ("FBPA"), appointed pursuant to
24 O.C.G.A. 10-1-395, who is statutorily authorized to enforce FBPA. With respect to Utah, the
25 term "Attorney General" means counsel to the Utah Division of Consumer Protection, the
26 state agency that is statutorily authorized with administering and enforcing the statutes
27 listed in Utah Code Ann. § 13-2-6, including the Utah Consumer Sales Practices Act, Utah
28 Code Ann. § 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. 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
(continued...)

1 c. "Bill" means a Consumer's mobile telephone bill or prepaid mobile account, as
2 applicable.

3 d. "Block" means a restriction placed on a Consumer's account that prevents one
4 or more lines from being used to purchase Third-Party Products and from being billed for Third-
5 Party Charges on the Consumer's Bill.

6 e. A statement is "Clear and Conspicuous" if it is disclosed in such size, color,
7 contrast, location, duration, and/or audibility that it is readily noticeable, readable,
8 understandable, and/or capable of being heard. A statement may not contradict or be inconsistent
9 with any other information with which it is presented. If a statement materially modifies,
10 explains or clarifies other information with which it is presented, then the statement must be
11 presented in proximity to the information it modifies, explains or clarifies, in a manner that is
12 readily noticeable, readable, and understandable, and not obscured in any manner. In addition:

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

15 ii. a television or internet disclosure must be of a type size, location, and
16 shade, and remain on the screen for a duration sufficient for a Consumer to read and comprehend
17 it based on the medium being used;

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

22
23
24 _____
(...continued)

25 Affairs, pursuant to *N.J.S.A. 52:17B-124*, is charged with the responsibility of administering
26 the CFA. References to "Attorneys General," "parties" or "States" with respect to New
27 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 iv. a text message disclosure must be of a type size and format, to the extent
2 controlled by the sender, so that a Consumer can notice and read it on their mobile devices, and
3 hyperlinks included as part of the text message should be clearly labeled or described.

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

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

15 h. “Effective Date” means the date that the Stipulated Final Judgment and Order
16 in the case captioned *Consumer Financial Protection Bureau v. Cellco Partnership d/b/a Verizon*
17 *Wireless* (“CFPB Stipulated Order”) is entered by the District Court for the District of New
18 Jersey. Provided, however, this agreement is binding upon execution.

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

22 j. “Participating States” means the following states and commonwealths:
23 Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida,
24 Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland,
25 Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New
26 Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio,
27 Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee,
28

1 Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming, as well
2 as the District of Columbia.

3 k. "Premium Short Messaging Service," or "PSMS," means a service that
4 distributes paid content to a Consumer using the Short Message Service ("SMS") and Multimedia
5 Messaging Service ("MMS") communication protocols via messages that are routed using a Short
6 Code, resulting in a Third-Party Charge.

7 l. "Short Code" means a common code leased from the CTIA Common Short
8 Code Administration that is composed of a set of numbers, usually 4 to 6 digits, to and from
9 which text messages can be sent and received using a mobile telephone.

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

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

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

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

1 **III. PERMANENT INJUNCTIVE RELIEF**

2 7. The provisions of this Judgment shall apply to Carrier and its officers, employees,
3 agents, successors, assignees, merged or acquired entities, wholly-owned subsidiaries, and all
4 other persons or entities acting in concert or participation with any of them, who receive actual
5 notice of this Judgment, regarding Carrier's placement of Third-Party Charges in the Participating
6 States.

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

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

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

24
25 _____
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 Carrier 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. Such policies
and practices shall be fully implemented by Verizon no later than July 1, 2015.

1 c. Purchase Confirmation for Third-Party Charges: Beginning no later than July
2 1, 2015, Carrier shall implement a system whereby the Consumer (and, for multiline accounts, the
3 Account Holder, if designated) will be sent a purchase confirmation, separate from the Bill, of
4 every Third-Party Charge, including recurring charges, that will appear on his or her Bill. Such
5 purchase confirmation shall be sent within a reasonable time following the purchase of a Third-
6 Party Product or the recurrence of a Third-Party Charge, and shall identify Blocking options that
7 Carrier makes available to Consumers and/or provide access to such information. For multiline
8 accounts, Carrier may provide the Account Holder the option to elect not to receive such purchase
9 confirmations for purchases made on other lines.

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

19 e. Billing Information and Format: No later than September 1, 2015:

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

26 ii. The Third-Party Charge billing section required by this Paragraph 8.e
27 shall include a Clear and Conspicuous disclosure of a Consumer's ability to Block Third-Party
28 Charges, including contact and/or access information that Consumers may use to initiate such

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

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

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

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

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

18 B. For disputed Third-Party Charges (either a single charge or a
19 recurring charge) initially incurred more than twelve (12) months prior to when the Consumer
20 contacted Carrier, within 10 business days from receipt of the claim, either (1) provide the
21 Consumer a full refund or credit of any and all disputed Third-Party Charges not previously
22 credited or refunded to the Consumer, or (2) deny a refund if Carrier has information
23 demonstrating that the Consumer provided Express Informed Consent to the Third-Party Charge,
24 offers to provide such information to the Consumer, and, upon request, provides such information
25 to the Consumer. This subparagraph f.ii.B shall expire four (4) years from the Effective Date.

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

1 iv. not require the Consumer to first contact the Third Party in order to
2 receive a refund/credit of any claimed Unauthorized Third-Party Charge, although this
3 subparagraph does not prohibit asking the Consumer if he or she has contacted the Third Party
4 and/or if the Consumer has already received a credit or refund from the Third Party for some or
5 all of the claimed Unauthorized Third-Party Charge.

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

12 h. Cooperation with California Attorney General: Carrier shall designate a contact
13 to whom the California Attorney General may provide information regarding any concerns about
14 Unauthorized Third-Party Charges, and from whom the California Attorney General may request
15 information and assistance in investigations. The information and assistance shall include
16 information regarding the identity of Third Parties placing charges on Bills, revenue from such
17 Third-Party Charges, refunds provided relating to such Third-Party Charges, any audits conducted
18 of such Third Parties (to the extent not protected by attorney-client privilege or attorney work
19 product privilege), and any applications or other information provided by Third Parties, to the
20 extent that Carrier has access to such information. Consistent with Carrier's legal obligations to
21 safeguard the confidential or proprietary information of Consumers and Third Parties, Carrier
22 shall provide such information within a reasonable period and shall cooperate in good faith with
23 such requests, including investigating any reports of Unauthorized Third-Party Charges the
24 Carrier receives from the California Attorney General.

25 i. Information Maintained by Carrier: Carrier shall implement systems that allow
26 it to maintain and report the refund/credit information created pursuant to Paragraph 8.f. Carrier
27 shall maintain such records for at least five (5) years from the date of their creation. Carrier's
28

1 obligation to maintain records for five (5) years from the date of their creation shall continue after
2 Carrier's obligation to provide the Quarterly Reports described in Paragraph 8.j expires.

3 j. Information Sharing with Attorneys General:

4 i. From September 15, 2015, Carrier shall, for five (5) years, provide a
5 report to the Office of the Vermont Attorney General every three (3) months ("Quarterly
6 Reports") documenting its compliance with the requirements of Paragraph 8.f. Without limiting
7 Carrier's obligations under Paragraph 8.f, the quarterly reports shall include the following:

8 A. the total number of Consumer claims for Unauthorized Third-Party
9 Charges for which Carrier has demonstrated that the purchaser provided Express Informed
10 Consent or for which Carrier has demonstrated that the claim was untimely under subparagraph
11 8.f.ii;

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

14 C. all other refunds/credits provided in response to Consumer claims
15 for Unauthorized Third-Party Charges, in dollars;

16 D. for the claims and refunds/credits identified under subparagraphs
17 8.j.i.A, B, and C), above, the Third-Party Product, the Third Party, and the entity responsible for
18 ensuring Express Informed Consent is obtained from the Consumer, if different than Carrier; and

19 E. a description of any remedial action taken by Carrier against Third
20 Parties for Unauthorized Third-Party Charges, including, but not limited to, any actions taken to
21 limit or terminate a Third Party's ability to place Third-Party Charges on a Consumer's Bill. The
22 description of any remedial action provided under this subparagraph shall include: (a) the name
23 and contact information of such Third Party, (b) a description of the Third-Party Product in
24 connection with which the remedial action that was taken, (c) an indication of whether the Third-
25 Party Product was suspended or terminated (and if the Third-Party Product was suspended,
26 Carrier shall include the date or conditions for reinstatement), and (d) the reason for the remedial
27 action.

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

4 **IV. MONETARY PAYMENT**

5 9. Within thirty (30) days of the Effective Date of this Judgment, Defendant shall pay
6 \$733,298.41 directly to the California Attorney General. Said payment shall be used by the
7 California Attorney General for attorneys' fees and other costs of investigation and litigation;
8 used to defray costs of the inquiry leading to this Judgment; used for the California Attorney
9 General's enforcement of California's consumer protection laws; used for consumer education; or
10 used for any other purposes permitted by state law, at the sole discretion of the California
11 Attorney General.

12 10. Within one hundred and twenty (120) days of the conclusion of the Redress Period
13 described by the Consumer Redress Plan referred to in Section III of the CFPB Stipulated Order
14 resolving the concurrent CFPB investigation of Verizon regarding Unauthorized Third-Party
15 Charges, Carrier shall provide the Attorneys General with a list containing the following
16 information for each of the Participating States: (a) the number of claims submitted to the
17 Consumer redress program by Consumers residing in the Participating State; (b) the number of
18 claims submitted to the Consumer redress program by Consumers residing in the Participating
19 State for which Carrier made redress; and (c) the total amount of redress given to Consumers
20 residing in the Participating State pursuant to the Consumer redress program.

21 11. The Participating States and Carrier recognize that, in addition to the payment
22 provided under Paragraph 9, Carrier has agreed to pay Four Million Dollars (\$4,000,000.00) to
23 the Federal Communications Commission ("FCC") to resolve the concurrent FCC investigation
24 of Verizon regarding Unauthorized Third-Party Charges.

25 12. The Participating States and Carrier recognize that Carrier has agreed to the
26 Consumer Redress Plan referred to in Section III of the CFPB Stipulated Order, which sets forth a
27 process for providing Consumers with redress of up to Seventy Million Dollars (\$70,000,000.00).
28 This Judgment does not alter, amend, replace, or expand the Consumer redress program set forth

1 in Section III of the CFPB Stipulated Order. To the extent residual monies remain after the
2 cessation of the Redress Period, the Participating States will collaborate with the FCC and CFPB
3 in determining how to dispose of the funds, including whether additional restitution is practicable.
4 To the extent the CFPB transfers any residual amounts to the Participating States following the
5 cessation of the Redress Period, the Participating States shall use such money in the manner and
6 for the purposes identified in Paragraph 9 above.

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

10 **V. RELEASE**

11 14. Effective upon full payment of the amount due under Paragraph 9, the California
12 Attorney General releases and discharges Carrier and its officers, employees, agents, successors,
13 assignees, affiliates, merged or acquired entities, parent or controlling entities, and subsidiaries
14 from any and all claims, suits, demands, damages, restitution, penalties, fines, actions, and other
15 causes of action that the California Attorney General could have brought under California
16 Business and Professions Code Section 17200, both known and unknown, arising directly or
17 indirectly out of or related to billing, charging, disclosures, policies, practices, actions or
18 omissions related to PSMS or Unauthorized Third-Party Charges that were incurred prior to the
19 Effective Date. In the case of affiliates, acquired entities, or subsidiaries, this release only covers
20 conduct occurring during the time such entities are or were affiliates or subsidiaries of Carrier.
21 Nothing contained in this Paragraph shall be construed to limit the ability of the California
22 Attorney General to enforce the obligations that Carrier and its officers, agents, servants and
23 employees acting on its behalf, have under this Judgment.

24 15 Nothing in this Judgment shall be construed to create, waive, or limit any private right
25 of action.

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

1 a. any criminal liability that any person or entity, including Carrier, has or may
2 have to California;

3 b. any civil or administrative liability that any person or entity, including Carrier,
4 has or may have to Callifornia under any statute, regulation or rule not expressly covered by the
5 release in Paragraph 14 above, including but not limited to, any and all of the following claims:

6 i. state or federal antitrust violations;

7 ii. state or federal securities violations; and

8 iii. state or federal tax claims.

9 **VI. GENERAL PROVISIONS**

10 17. This Judgment is a compromise settlement of disputed issues and that the
11 consideration for this Judgment shall not be deemed or construed as: (a) an admission of the truth
12 or falsity of any claims or allegations heretofore made or any potential claims; (b) an admission
13 by Carrier that it has violated or breached any law, statute, regulation, term, provision, covenant
14 or obligation of any agreement; or (c) an acknowledgement or admission by any of the parties of
15 any duty, obligation, fault or liability whatsoever to any other party or to any Third Party. This
16 Judgment does not constitute a finding of law or fact, or any evidence supporting any such
17 finding, by any court or agency that Carrier has engaged in any act or practice declared unlawful
18 by any laws, rules, or regulations of any state. Carrier denies any liability or violation of law and
19 enters into this Judgment without any admission of liability. It is the intent of the parties that this
20 Judgment shall not be used as evidence or precedent in any action or proceeding, except an action
21 to enforce this Judgment.

22 18. Unless otherwise specifically provided, all actions required pursuant to this Judgment
23 shall commence as of the Effective Date. In the event that Carrier acquires any new entity,
24 Carrier shall take immediate steps to cease billing charges for all Commercial PSMS through
25 such newly acquired entity. With respect to any such entities, Carrier shall provide Consumers
26 with access to a customer service representative who shall have access to Consumers' account
27 information related to Third-Party Charges for at least the prior twelve (12) months. If such
28 information is not available, Carrier shall have twelve (12) months to come into compliance with

1 Paragraph 8.f.i with respect to such entities and, while coming into compliance, shall respond to
2 Consumers' inquiries within ten (10) days using any available information. As to all other
3 requirements contained in this Judgment, Carrier shall have a reasonable period of time, which in
4 no event shall exceed twelve (12) months, in which to bring said entity into compliance with this
5 Judgment and during that period, Carrier shall take reasonable steps to obtain Express Informed
6 Consent before a Consumer is billed for any Third-Party Charge.

7 19. Nothing in this Judgment limits Carrier's right, at its sole discretion, to provide
8 refunds or credits to Consumers in addition to what is required in this Judgment.

9 20. Nothing in any provision of this Judgment shall be read or construed to require
10 Carrier (a) to share customer proprietary network information ("CPNI") with any person not
11 legally entitled to receive CPNI; (b) to share customer information in such way that it would
12 violate any applicable law or privacy policy; or (c) to grant more than one full refund for any
13 single Unauthorized Third-Party Charge. Carrier shall not amend its privacy policy to excuse its
14 compliance with the reporting, tracking, or other provisions of this Judgment related to the
15 sharing of customer information unless required by law.

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

1 the California Attorney General with a detailed and reasonable timetable for addressing the
2 alleged breach.

3 22. Nothing herein shall prevent the California Attorney General from agreeing in writing
4 to provide Carrier with additional time beyond the ten (10) business day period to respond to the
5 notice provided under Paragraph 21.

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

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

20 25. This Judgment is intended to supplement, and does not supplant or in any way
21 restrict, the California Attorney General's subpoena power and/or investigative authority pursuant
22 to applicable law.

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

1 27 This Judgment does not supplant or in any way restrict Carrier's legal rights and
2 ability to demand formal legal process to protect its Consumers' privacy rights and/or to protect
3 Carrier from potential liability for disclosing or sharing such information without legal process.

4 28. All notices under this Judgment shall be provided to the following address via first-
5 class or electronic mail:

6
7 Sarah E. Kurtz
8 Deputy Attorney General
9 Office of the Attorney General
10 455 Golden Gate Avenue, Suite 11000
11 San Francisco, CA 94102-7004
12 sarah.kurtz@doj.ca.gov

13 For the California Attorney General

14 Michelle L. Rogers
15 BuckleySandler llp
16 1250 24th Street NW
17 Suite 700
18 Washington, DC 20037
19 mrogers@buckleysandler.com

20 Robert L. Ernst
21 Verizon Wireless
22 One Verizon Way
23 VC54N068
24 Basking Ridge, NJ 07920
25 Robert.l.ernst@verizon.com

26 For Carrier

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

 30. Nothing in this Judgment shall be construed as relieving Carrier of the obligation to
comply with all local, state and federal laws, regulations or rules, nor shall any of the provisions

1 of this Judgment be deemed to be permission to engage in any acts or practices prohibited by such
2 laws, regulations, or rules.

3 31. Carrier shall not participate, directly or indirectly, in any activity or form a separate
4 entity or corporation for the purpose of engaging in acts or practices in whole or in part in
5 California that are prohibited by this Judgment or for any other purpose that would otherwise
6 circumvent any term of this Judgment. Carrier shall not cause, knowingly permit, or encourage
7 any other persons or entities acting on its behalf to engage in practices from which Carrier is
8 prohibited by this Judgment.

9 32. If the California Attorney General determines that Carrier made any material
10 misrepresentation or omission relevant to the resolution of this investigation, the California
11 Attorney General retains the right to seek modification of this Judgment.

12 33. In the event that any statute or regulation pertaining to the subject matter of this
13 Judgment is modified, enacted, promulgated, or interpreted by the federal government or any
14 federal agency, such as the FCC, such that Carrier cannot comply with both the statute or
15 regulation and any provision of this Judgment, Carrier may comply with such statute or
16 regulation, and such action shall constitute compliance with the counterpart provision of this
17 Judgment. Carrier shall provide advance written notice to the Attorney General of California of
18 the inconsistent provision of the statute or regulation with which Carrier intends to comply under
19 this Paragraph, and of the counterpart provision of this Judgment that conflicts with the statute or
20 regulation.

21 34. In the event that any statute or regulation pertaining to the subject matter of this
22 Judgment is modified, enacted, promulgated or interpreted by California, such that the statute or
23 regulation is in conflict with any provision of this Judgment, and such that Carrier cannot comply
24 with both the statute or regulation and the provision of this Judgment, Carrier may comply with
25 such statute or regulation in the Participating State, and such action shall constitute compliance
26 with the counterpart provision of this Judgment. Carrier shall provide advance written notice to
27 both the Attorney General of Vermont and the Attorney General of California, of the inconsistent
28

1 provision of the statute or regulation with which Carrier intends to comply under this Paragraph,
2 and of the counterpart provision of this Judgment that is in conflict with the statute or regulation.

3 35 To seek a modification of this Judgment for any reason other than that provided for in
4 Paragraphs 33 or 34 of this Judgment, Carrier shall send a written request for modification to the
5 addressee listed in Paragraph 28. Plaintiff shall give such petition reasonable consideration and
6 shall respond to Carrier within thirty (30) days of receiving such request. At the conclusion of
7 this thirty (30) day period, Carrier reserves all rights to pursue any legal or equitable remedies
8 that may be available to it.

9 36. To the extent that any of the provisions contained herein permit implementation
10 beyond the Effective Date, the parties have agreed to the delayed implementation of such
11 provisions based on Carrier's representation that it is currently unable to meet the requirements of
12 such provisions and that it needs the additional specified time to develop the necessary technical
13 capabilities to come into compliance with the requirements of such provisions. Carrier agrees to
14 make good-faith and reasonable efforts to come into compliance with any such provisions prior to
15 the implementation dates set by such provisions to the extent commercially practicable.

16 37. Carrier shall pay all court costs associated with the filing of this Judgment.

17 38. Jurisdiction is retained by the Court for the purpose of enabling any party to the
18 Judgment to apply to the Court at any time for such further orders and directions as may be
19 necessary or appropriate for the construction or the carrying out of this Judgment, for the
20 modification of any of the injunctive provisions hereof, for enforcement of compliance herewith,
21 and for the punishment of violations hereof, if any.

22 39. The clerk is ordered to enter this Judgment forthwith.

23
24 ORDERED AND ADJUDGED at San Francisco, California, this 12 day of May, 2015.

25 ERNEST H. GOLDSMITH

26 Judge of the Superior Court
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