



**JEFF JACKSON  
ATTORNEY GENERAL**

**STATE OF NORTH CAROLINA  
DEPARTMENT OF JUSTICE**

**ERIC WILSON  
CHIEF OF STAFF**

November 17, 2025

North Carolina Senate President Pro Tempore Phil Berger  
North Carolina House of Representatives Speaker Destin Hall  
Co-Chairs, Joint Legislative Commission on Governmental Operations

Senator Danny Britt  
Senator Warren Daniel  
Senator Buck Newton  
Representative Ted Davis  
Representative Dudley Greene  
Representative Charles Miller  
Representative Carson Smith  
Co-Chairs, Appropriations Subcommittee on Justice and Public Safety

North Carolina General Assembly  
Raleigh, North Carolina 27601-1096

RE: N.C.G.S. §114-2.4A and §114-2.5; Report on Settlements

Dear Members:

In accordance with N.C.G.S. §114-2.4A and §114-2.5, please see the following Report on Settlements summaries with corresponding executed agreements enclosed regarding ACI Worldwide Corp, Frontier Communications, Marriott International Inc, Oquirrh Mountain Phlebotomy School, LLC, and T-Mobile.

**ACI Worldwide Corp**

This assurance of voluntary compliance resolves the multi-state investigation into ACI Worldwide Corp's billing platform and the erroneous and unintentional ACH debit and credit entries that happened during testing for upgrades to their Speedpay system around April 23, 2021. ACI agreed to pay the Attorneys' General \$10,000,000.00 of which North Carolina received \$395,416.80 to be used for attorneys' fees and other costs of investigation and litigation, or be placed in, or applied to, the consumer protection enforcement fund, including future consumer protection enforcement,

consumer education, litigation, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the discretion of the Attorney General. Additionally, ACI agreed to take steps to avoid future incidents as well as settling a separate agreement with state regulators and paying restitution directly to impacted consumers through other related settlements.

### **Frontier Communications**

This settlement agreement resolves our investigation regarding allegations that internet service provided by Frontier Communications (“Frontier”) operated at much slower speeds than had been promised. Frontier agreed to pay \$300,000.00 to be used for attorneys’ fees and other costs of investigation and litigation, or be placed in, or applied to, the consumer protection enforcement fund, including future consumer protection enforcement, consumer education, litigation, or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, consumer restitution, or other uses permitted by state law, at the discretion of the Attorney General. Additionally, Frontier agreed to a number of provisions designed to improve their marketing information to accurately reflect the speeds they provide, give customers free and easy cancellation when promised speeds are not provided, and to invest \$20,000,000.00 in capital expenditures to enhance Internet Service in North Carolina.

### **Marriott International Inc**

This consent judgment settles the multistate investigation into Marriott International, Inc. (“Marriott”) regarding a large multi-year data breach of one of its guest reservation databases that led to the breach of 131.5 million guest records of customers in the United States. As a result of the settlement, Marriott agreed to pay \$52,000,000.00 to the Attorneys General, of which North Carolina received \$2,059,176.00 to be used to reimburse \$150,000.00 to the TJX Data Breach investigation fund and \$1,909,176 to be used for attorneys’ fees and other costs of investigation and litigation, or be placed in, or applied to, the consumer protection enforcement fund, including future consumer protection enforcement, consumer education, litigation, or local consumer aid fund or revolving fund, used to defray the cost of the inquiry leading hereto, or for other uses permitted by state law, at the discretion of the Attorney General. Additionally, Marriott agreed to a number of provisions designed to strengthen and continually improve its cybersecurity practices including enhancing employee training, minimizing the data collected and retained, and conducting an independent third-party assessment of their information security program every 2 years for the next 20 years.

### **Oquirrh Mountain Phlebotomy School, LLC**

This settlement agreement settles the lawsuit and allegations that Oquirrh Mountain Phlebotomy School, LLC and Dalla Myron Rasmussen (“OMPS”) operated a school in Wilmington, NC, in violation of North Carolina’s proprietary school licensing requirements and unfair and deceptive trade practices law. As a result of the settlement OMPS has agreed to pay North Carolina

\$150,000.00 which may be expended as authorized by the laws of the State. OMPS also agreed to consumer refunds to individuals for lessons, courses, or instruction provided by OMPS, that have not already been refunded by OMPS as well as paying \$5.00 per individual on the restitution list to offset the cost of running the restitution claims process. Additionally, OMPS agreed to not offer any courses, lessons, or instruction in the State of North Carolina without first obtaining the appropriate license under N.C.G.S. § 115D or §116.

**T-Mobile**

This settlement agreement settles the multistate investigation into concerns that T-Mobile advertised some of its wireless products and services without clearly and conspicuously disclosing all of the material terms and conditions. As a result of the settlement, T-Mobile agreed to pay \$103,472.64 to North Carolina to be used for attorneys' fees and other costs of investigation and litigation, or may be placed in, or applied to, consumer protection law enforcement funds, including future consumer protection enforcement, consumer education, litigation or local consumer aid fund or revolving fund, may be used to defray the costs of the inquiry leading hereto, the monitoring and potential enforcement of the settlement agreement, or consumer restitution, at the sole discretion of the Attorney General. Additionally, T-Mobile agreed to several provisions affecting their business practices including, but not limited to designating a dedicated representative to work directly with the attorneys general to address consumer complaints and training its customer service representatives and advertising staff on the terms of the settlement.

Please let our team know if you have any questions. Thank you for your continued support.

Sincerely,



Eric Wilson  
Chief of Staff

EW/dr

Enclosure

cc: NCGA Fiscal Research Division



**JOSH STEIN**  
**ATTORNEY GENERAL**

**STATE OF NORTH CAROLINA**  
**DEPARTMENT OF JUSTICE**

**CONSUMER PROTECTION**  
TOLL-FREE IN NC: (877) 566-7226  
OUTSIDE OF NC: (919) 716-6000  
FAX: (919) 716-6050

**MEMORANDUM**

TO: Financial Services  
FROM: Jasmine S. McGhee, Senior Deputy Attorney General  
RE: Deposit Distribution  
**Frontier Communications of America, Inc.**  
DATE: June 24, 2024

Pursuant to the settlement agreement signed on April 16, 2024 between our office and Frontier Communications of America, Inc. and Frontier Communications of the Carolinas LLC ("Frontier") a wire in the amount of \$300,000.00 was deposited with Financial Services on May 31, 2024 into the following account as follows:

Agency	0900	Dept. of Justice	Amount
Budget Fund	202266	Consumer Prot. Restitutions	
Natural Account	45500000	Fines, Penalties, Assess Fee	300,000.00
AMU	0902203	Frontier Communications	

This agreement settles our investigation and lawsuit into allegations that Frontier's internet operated at much slower speeds than had been promised. Frontier agreed to pay \$300,000.00 (three hundred thousand dollars) to be used as and for attorneys' fees and other costs of investigation and litigation, or be placed in, or applied to, the consumer protection enforcement fund, including future consumer protection enforcement, consumer education, litigation, or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, consumer restitution, or for other uses permitted by state law, at the sole discretion of the Attorney General.

Additionally, Frontier agreed to a number of provisions designed to improve their marketing and information to accurately reflect the speeds they provide and give customers free and easy cancellation options when they fail to provide advertised speeds including:

- Investing 20,000,000.00 (twenty million dollars) in capital expenditures to enhance Internet Service in North Carolina between 2024 and 2027.
- Provide either a credit or the option to cancel service to consumers not receiving 90% of the highest speed of the range of the tier level subscribed.

A copy of the settlement agreement and deposit details are attached. If you have any questions, please contact Wendy Stevens at 716-6877.

cc: Kim D'Arruda  
Kevin Anderson  
FSS Budget Manager  
Wendy Stevens/Frontier Communications Settlement File



**JOSH STEIN**  
**ATTORNEY GENERAL**

**STATE OF NORTH CAROLINA**  
**DEPARTMENT OF JUSTICE**

**CONSUMER PROTECTION**  
TOLL-FREE IN NC: (877) 566-7226 OUTSIDE OF  
NC: (919) 716-6000 FAX: (919) 716-6050

**MEMORANDUM**

TO: Janice Boyce, Financial Services

FROM: Wendy Stevens, Consumer Protection Finance Administrator

RE: **Wire Transfer Deposit**  
Frontier Communications

DATE: May 31, 2024



Attached is the wire confirmation regarding a \$300,000.00 payment from Frontier Communications in response to the settlement agreement signed between the State and Frontier Communications of America, Inc and its affiliate, Frontier Communications of the Carolinas LLC signed April 16, 2024.

Please deposit the funds into this account:

Agency	0900	Dept. of Justice
Budget Fund	202266	Consumer Prot. Restitutions
Natural Account	45500000	Fines, Penalties, Assessment Fees
AMU	0902203	Frontier Communications

If you have any questions, please contact me at 716-6877.

cc: Kevin Anderson  
Kim D'Arruda  
Melvinna Adams



# Previous Day Composite Report

Standard Previous Day Composite Report

As of 05/30/2024

Company: NC DEPARTMENT OF STATE TREASURER

User: Janice Boyce

05/31/2024 08:12 AM ET

Commercial Electronic Office®

Treasury Information Reporting

Currency: USD  
Bank: 121000248  
Account: 4128455847(NC)

WELLS FARGO BANK, N.A.  
NORTH CAROLINA DEPARTMENT OF STATE TREA

### Balances

Closing Ledger Balance	.00
Closing Collected Balance	.00
Opening Available Balance	.00
One Day Float	.00
Two+ Day Float	.00
MTD Average Closing Ledger Balance	.00
MTD Average Closing Collected Balance	.00
Total Credits	300,750.00
Total Debits	300,750.00
Total Number Credits	2
Total Number Debits	1

### Summaries

Type of Credit	Number of Items	Amount
Total ACH Credits	1	750.00
Total Wire Transfer Credits	1	300,000.00
<b>Credit Totals</b>	<b>2</b>	<b>300,750.00</b>

Type of Debit	Number of Items	Amount
Total ZBA Debits	1	300,750.00
<b>Debit Totals</b>	<b>1</b>	<b>300,750.00</b>

### Credit Transactions

5/30/2024	169 / MISCELLANEOUS ACH CREDIT Cust Ref: 0000000000 Unique ID: 0000091005478124121 BANKCARD DEPOSIT 240530 419161279999 C.J.T.S.COMMISSION NCDOJ	Credit Amount: Bank Ref: IA000014585799	750.00
5/30/2024	195 / INCOMING MONEY TRANSFER Cust Ref: 0000000000 Unique ID: RG240530153135 WT FED#08910 JPMORGAN CHASE BAN /ORG=FRONTIER COMMUNICATIONS HOLDINGS, SRF# 7909100151JO TRN#240530153135 RFB# ATS OF 24/05/30	Credit Amount: Bank Ref: IA009963001486	300,000.00
	<b>Credit Total</b>	<b>Credit Amount</b>	<b>300,750.00</b>

### Debit Transactions

5/30/2024	575 / INDIVIDUAL ZBA DEBIT Cust Ref: 0000000000 ZERO BALANCE ACCOUNT TRANSFER TO 2062670003460	Debit Amount: Bank Ref: IA053000000005	300,750.00
	<b>Account Net Amount</b>		<b>0.00</b>

Currency: USD  
Bank: 121000248  
Account: 2000021316302(NC)

WELLS FARGO BANK, N.A.  
DEPT OF JUSTICE

You do not have access to balances for this account.

### Summaries

Type of Credit	Number of Items	Amount
Total ACH Credits	1	1,722.42
<b>Credit Totals</b>	<b>1</b>	<b>1,722.42</b>

**SETTLEMENT AGREEMENT BETWEEN THE NORTH CAROLINA ATTORNEY GENERAL'S OFFICE AND FRONTIER COMMUNICATIONS OF AMERICA, INC. AND ITS AFFILIATE, FRONTIER COMMUNICATIONS OF THE CAROLINAS, LLC**

THIS SETTLEMENT AGREEMENT ("the Agreement") is made and entered into between: (1) the State of North Carolina, acting by and through Josh Stein, Attorney General of the State of North Carolina ("the Attorney General") and (2) Frontier Communications of America, Inc. and its affiliate, Frontier Communications of the Carolinas LLC (individually and collectively, part of "Frontier"). The parties agree to the following terms, conditions, and relief to resolve the Attorney General's investigation into Frontier's alleged violations of North Carolina's Unfair or Deceptive Trade Practices Act (the "UDTPA"), N.C. Gen. Stat. §§ 75-1.1, *et seq.*

**PARTIES AND JURISDICTION**

1. The State of North Carolina ("the State"), by and through its Consumer Protection Division, is charged with, among other things, the responsibility of enforcing North Carolina's Unfair and Deceptive Trade Practices Act, N.C. Gen. Stat. §§ 75-1.1, *et seq.*

2. Frontier Communications of America, Inc. is a Delaware corporation with a principal place of business in Connecticut. Frontier Communications of America, Inc. is registered in the State of North Carolina as a foreign corporation.

3. Frontier Communications of the Carolinas LLC is a Delaware limited liability company with a principal place of business in Texas. Frontier Communications of the Carolinas LLC is registered in the State of North Carolina as a foreign limited liability company, and is an affiliate of Frontier Communications of America, Inc.

4. Frontier Communications of America, Inc. does not directly provide Internet Service, as the term is defined in the next Section, in North Carolina. Instead, its affiliate Frontier Communications of the Carolinas LLC currently provides Internet Service in North Carolina.

5. At all times relevant to this matter, Frontier engaged in trade and commerce affecting consumers in North Carolina.

### BACKGROUND

6. Since at least January 1, 2013, Frontier has marketed and sold high-speed Internet Service to North Carolina Consumers. Frontier has offered Customers multiple tiers of DSL Internet Service Plans based on the maximum speed at which Customers could download data over Frontier's network.

7. The Attorney General received complaints from North Carolina Consumers stating that their Frontier Internet Service was slow or failed entirely, and that they had not consistently or reliably received the high-speed Internet Service to which they had subscribed. The Attorney General commenced its investigation of Frontier in 2019.

8. The Attorney General contends Frontier's actions are in violation of N.C. Gen. Stat. § 75-1.1.

9. Frontier denies the Attorney General's statements in this Section.

10. In 2021, the State was a plaintiff together with certain other states and the Federal Trade Commission ("FTC") in a civil complaint filed in the United States District Court for the Central District of California (*Federal Trade Commission et al. v. Frontier Communications Corporation et al.* (2:21-cv-04155 CDCA) (the "FTC Litigation")). In the complaint the Attorney General alleged, *inter alia*, that Frontier has violated the UDTPA in its advertising, marketing, sales, provisioning, and billing of DSL Internet service in North Carolina (the "Alleged Conduct").

11. The District Court on October 3, 2021, granted Frontier's motion to dismiss the State's claims in the FTC Litigation for lack of personal jurisdiction. The Attorney General continued its investigation of Frontier since the dismissal of the State's claims.

12. Effective May 6, 2022, Frontier entered into a settlement with the FTC to resolve the FTC Litigation (the "FTC Settlement").

13. The Parties by this Agreement intend to resolve any claims the State may have relating to the Alleged Conduct. The "Effective Date" (as used hereinafter) of this Agreement is April 16, 2024.

14. In entering this Agreement, the mutual objective of the Parties is to resolve, without litigation, the State's potential claims relating to the Alleged Conduct under the UDTPA or other statutes for preliminary and permanent injunctive relief, as well as the potential claims for payment of damages and reimbursement of the Attorney General's costs relating to the investigation of the Alleged Conduct. Frontier denies the State's allegations and is entering into this Agreement for the purpose of settlement, and nothing contained herein may be taken as, or construed to be, an admission or confession of any violation of law, or any other matter of fact or law, of any liability or wrongdoing. Frontier is offering this Agreement to avoid the time and expense of litigating this matter further.

15. The parties agree that the entry into this Agreement by Frontier is not an admission of liability, and not an agreement with any legal or factual assertion dealt with herein. Frontier agrees not to contest any terms of this Agreement.

#### DEFINITIONS

16. "**Advertised Speed**" means the download speed advertised or offered by Frontier, including at point of sale, in association with a specific Internet Service Plan.

17. "**Clear(ly) and Conspicuous(ly)**" means the statement, representation, or term being disclosed is difficult to miss (*i.e.*, easily noticeable) and easily understandable by ordinary consumers in all of the following ways:

- a. A disclosure must not contradict, mitigate, or be inconsistent with any other

information with which it is presented.

b. In any communication that is solely visual or solely audible, the disclosure must be made through the same means through which the communication is presented. In any communication made through both visual and audible means, such as a television advertisement, the disclosure must be made visually or audibly.

c. A visual disclosure, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.

d. An audible disclosure, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for ordinary consumers to easily hear and understand.

e. In any statement, representation, or disclosure using an interactive electronic medium, such as the Internet or software, the statement, representation, or disclosure must be unavoidable.

f. The statement, representation, or disclosure must use diction and syntax understandable to ordinary consumers and must appear in each language in which the representation that requires the disclosure appears.

g. The statement, representation, or disclosure must comply with the requirements in each medium through which it is received, including all electronic devices and face-to-face communications.

h. When a statement, representation, disclosure, or sales practice targets a specific audience, such as children, the elderly, or the terminally ill, "ordinary consumers" includes reasonable members of that group.

18. **"Close Proximity"** means the disclosure is very near the triggering representation. A disclosure accessed or displayed through a hyperlink, pop-up, interstitial, or other similar technique is not in close proximity to the triggering representation.

19. **"Congestion Report"** means Frontier's "Monthly DSLAM Congestion Report," which provides congestion information for all North Carolina DSLAM uplinks and the circuits that affect more than one DSLAM, including host, DSL broadband aggregators for remote DSLAMs, and broadband remote access servers.

20. **"DSL"** means digital subscriber line.

21. **"DSLAM"** means DSL access multiplexer.

22. **"Existing Customer"** and **"Existing North Carolina Customer"** mean a Customer who is already subscribed to an Internet Service Plan at an address in North Carolina and who is not a New Customer. Customers who subscribe to an Internet Service plan in the thirty (30) day period after entry of this Agreement will be considered Existing Customers.

23. **"Frontier"** shall mean Frontier Communications of America, Inc., Frontier Communications of the Carolinas LLC, as well as any parents, affiliates, subsidiaries and divisions, successors and assigns, and officers and employees. For purposes of satisfying the investment and capital expenditures to provide or enhance Internet Service in North Carolina in paragraphs 39 and 40, "Frontier" shall also include its partners and joint venturers.

24. **"Internet Service Plan"** means Frontier's residential DSL Internet access services provided to North Carolina Customers.

25. **"Material Restriction"** means a restriction on the amount or speed of Internet access that is likely to affect a North Carolina Customer's purchase or use of the Internet Service Plan.

26. **"Mbps"** means Megabits per second, which refers to the rate at which millions of

“bits,” or units of data, transfer over an Internet connection. Frontier frequently quantifies download and upload speeds in Mbps.

27. **“New Customer”** and **“New North Carolina Customer”** mean a person who becomes a Frontier Customer thirty (30) days or more after entry of this Agreement at an address in North Carolina, *i.e.*, a person who subscribes to an Internet Service Plan with an Advertised Speed, an Existing Customer who changes service plans to an Internet Service Plan with an Advertised Speed, or both.

28. **“North Carolina Consumer,” “North Carolina Customer,”** or **“Customer”** mean any person who has received or is receiving Internet Service from Frontier at a North Carolina address.

29. **“Parties”** means the State and Frontier, collectively.

30. **“Provision,” “Provisioned,”** and **“Provisioning”** refer to the network setting of the maximum speed at which a Customer’s Internet Service will be accessible, *i.e.*, the maximum speed that a Customer’s Internet Service will be capable of achieving, which speed is manually set by Frontier.

31. **“Speed Assessment Procedure”** means a procedure, algorithm, process, or data analysis, based on competent and reliable evidence, for assessing the speed at which Frontier is able to provide DSL Internet service to a residential address. For purposes of this definition and references hereto, “competent and reliable evidence” means tests, including loop tests, analyses, research, or studies that have (1) been conducted and evaluated in an objective manner by qualified personnel, and (2) are generally accepted to yield accurate and reliable results, and provides a reasonable basis for representations concerning an Advertised Speed, such as the process set forth in Exhibit A.

## ADVERTISING DISCLOSURES REGARDING INTERNET SERVICES

32. In Frontier's advertisements of Internet Service Plan speeds, Frontier shall make Clear and Conspicuous disclosures that comply with applicable Federal Trade Commission guidelines and North Carolina law.

33. Frontier, including its officers, agents, and employees, and all other persons in active concert or participation with Frontier, whether acting directly or indirectly, in connection with the advertising, marketing, or sale of any Internet Service Plan to North Carolina Consumers, are restrained and enjoined from, expressly or by implication:

a. Advertising or marketing Internet Service Plans to North Carolina Consumers with Advertised Speeds:

i. in television and radio advertisements or other ads disseminated to or meant for a general audience and that contain Advertised Speed claims, unless Frontier Clearly and Conspicuously discloses that the maximum Advertised Speeds may not be available in a consumer's area, if that is the case, and that the actual speed a Customer is likely to be able to obtain is subject to multiple factors, if that is the case;

ii. in Internet advertisements or other advertisements that appear when a North Carolina Consumer has provided his or her North Carolina residential address, or if Frontier has targeted the North Carolina Consumers based on their residential address or zip code, if the maximum Advertised Speed exceeds what is available in those North Carolina Consumers' zip codes;

iii. in mailer advertisements or other advertisements targeted to North Carolina Consumers based on their geographic area or neighborhood, if the maximum Advertised Speed exceeds what is available to the North Carolina Consumers in the geographic area or neighborhood receiving such advertisements.

b. Misrepresenting the amount or speed of data transmission that an Internet Service Plan will provide.

c. Making any representation about the amount or speed of data transmission without disclosing, Clearly and Conspicuously to the representation, all Material Restrictions to obtaining the represented amount or speed of data transmission.

i. For any representation that an Internet Service Plan will deliver an Advertised Speed, the advertisement must disclose Clearly and Conspicuously and in Close Proximity to the representation:

a) The range of speeds available for that tier, such as “6.1 Mbps to 12 Mbps download”; and

b) That the average speed may be lower than the maximum speed represented, if that is the case.

ii. For internet ads or mailer ads, if the actual speed a Customer is likely to be able to obtain is subject to multiple factors, the advertisement must contain a Clear and Conspicuous link or website location to a Clear and Conspicuous disclosure that states that actual speed is subject to multiple factors, such as (i) the effect of Wi-Fi; (ii) multiple users on the same account; (iii) device limitations; and (iv) network congestion.

and

d. Misrepresenting the performance or central characteristics of an Internet Service Plan.

#### **SUBSCRIPTION AND BILLING PRACTICES**

34. Frontier, whether acting directly or indirectly, in connection with any Internet Service Plan, shall refrain from:

a. At the point of sale, subscribing or upgrading any New Customer to an Internet

Service Plan with an Advertised Speed unless the geographic location of the New Customer's residential address provides reason to believe that Frontier can provide service at the Advertised Speed to the New Customer.

b. Provisioning any New Customer for an Internet Service Plan with an Advertised Speed unless the Customer is Provisioned within 10% of the maximum Advertised Speed or higher for that Internet Service Plan, provided that if a Customer cannot be Provisioned within 10% of the maximum Advertised Speed or higher, Frontier shall notify the New Customer.

c. Subscribing any New Customer to an Internet Service Plan with service to be provided by a DSLAM for which Frontier's Congestion Reports indicate that the DSLAM has had an average peak utilization of 90% or greater during at least the three months prior to service installation.

d. Billing, charging, collecting, or attempting to collect from any New Customer the costs or fees for an Internet Service Plan with an Advertised Speed unless a Speed Assessment Procedure, comparable to the one set forth in Exhibit A, performed at the time of service installation provides reason to believe that Frontier can provide service within 10% of the maximum Advertised Speed or higher to the New Customer's residential address.

i. Within ten (10) business days after enrolling a New Customer, Frontier shall provide the New Customer with notice, in writing, that Clearly and Conspicuously what was the Advertised Speed for the New Customer's residential address and the speed at which the New Customer is actually Provisioned.

ii. Frontier shall not be deemed to be in violation of this section if the Customer continues with the current Internet Service Plan after receiving written notice that Frontier has not or cannot provide service within 10% of the maximum Advertised Speed or higher to the New Customer's residential address.

c. Billing, charging, collecting, or attempting to collect from any Existing Customer or New Customer the costs or fees for an Internet Service Plan with an Advertised Speed if, after receipt of an inquiry or complaint asserting that the Customer's Internet speed experienced is slower than the Advertised Speed and the Customer requests or it is otherwise clear from the communication that Frontier should investigate or take action to address service speed, Frontier does not, at their option, (i) initiate a review to respond to the Customer's complaint, such as through a Speed Assessment Procedure comparable to the one set forth in Exhibit B, and if the review reveals that the Customer is unable to receive at least 90% of the maximum Advertised Speed or higher, Frontier shall issue a notice comparable to the form shown in Attachment D; or (ii) issue a notice comparable to the form shown in Attachment D; *provided however*, a notice provided comparable to the form shown in Attachment D, even if performed prior to the Effective Date of this Agreement, satisfies this requirement.

i. Frontier shall issue the notice via any method Frontier uses to communicate with the Customer (including but not limited to mail, e-mail, or text message, which may contain a hyperlink).

ii. Frontier's notice described in this Section shall:

a) Offer the Customer the option to (i) continue with the current Internet Service Plan; (ii) discontinue the Internet Service Plan without incurring any additional fee associated with an Internet Service Plan, such as an early termination fee, for cancelling the Internet Service Plan; or (iii) move to another Internet Service Plan product tier in which the Customer can be Provisioned at a minimum of 90% of the maximum Advertised Speed, with a rate change based on the pricing for the new Internet Service Plan product tier. If the Customer elects to discontinue the Internet Service Plan, Frontier shall refund or waive any applicable installation or, service connection fees paid in the prior 12 months and early termination fees; and

b) Not include anything in or with the notice other than the notice in the form comparable to the form shown in Attachment D, including any billing statements or marketing messages.

#### **REQUIRED ACTIONS FOR NEW CUSTOMERS AND EXISTING CUSTOMERS**

35. No later than 90 days after the Effective Date for New North Carolina Customers, Frontier shall:

a. Clearly and Conspicuously disclose at or before the point of sale or change in Internet Service Plan with an Advertised Speed: (i) the maximum Advertised Speed, (ii) the range of Internet service speeds Frontier has reason to believe the New Customer is likely to receive based on the geographic location of the New Customer's residential address, and (iii) how such speeds may impact the New Customer's use of certain online content and services, *e.g.*, streaming or gaming;

b. Within ten (10) business days of the installation of an Internet Service Plan with an Advertised Speed, whether by a technician, self-installation, or another method, Frontier shall provide New Customers who have been Provisioned at less than the maximum Advertised Speed for their Internet Service Plan with a notice comparable to the form shown in Attachment A, via any method Frontier uses to communicate with the Customer (including but not limited to mail, e-mail, or text message, which may contain a hyperlink). Frontier's notice described in this Section shall:

i. Clearly and Conspicuously inform the New North Carolina Customer of (a) the maximum Advertised Speed for the Internet Service Plan to which the New Customer is subscribed; (b) the maximum speed for which the New Customer is Provisioned; (c) the range of Internet service speeds Frontier has reason to believe the New Customer is likely to receive based on a Speed Assessment Procedure performed at the time of service installation, comparable to the

one set forth in Exhibit A; and (d) how such speeds may impact the New Customer's access to various Internet services, such as streaming or gaming;

ii. Offer the New Customer the options to (a) discontinue the Internet Service Plan without incurring any additional fee associated with an Internet Service Plan, such as an early termination fee, for cancelling the Internet Service Plan; (b) move to another Internet Service Plan product tier, with a rate change based on the pricing for the new Internet Service Plan product tier, for which the New Customer can be Provisioned at a minimum of 90% of the maximum Advertised Speed; or (c) continue with the current Internet Service Plan, comparable to the form shown in Attachment A. If the New Customer elects to discontinue the Internet Service Plan, Frontier shall refund or waive any applicable installation or service connection fees paid in the prior 12 months and early termination fees;

iii. Not include anything in or with the notice other than the notice, including any billing statements or marketing messages.

36. No later than 90 days after the Effective Date, for Existing North Carolina Customers, Frontier shall:

a. Identify each Existing North Carolina Customer with an Internet Service Plan for whom (i) the Provisioned Speed is less than the maximum Advertised Speed to which the Customer is subscribed, or (ii) the Provisioned Speed cannot be readily ascertained, and (iii) Customers identified in connection with Frontier's ongoing reporting obligations pursuant to this Agreement. Frontier shall not unilaterally discontinue Internet Service to Customers solely on account of their obligations under this Order.

b. For each Existing North Carolina Customer identified by Frontier under 36.a., Frontier shall:

i. For Existing Customers for whom the Provisioned Speed is less than the

maximum Advertised Speed, issue a notice comparable to the form shown in Attachment B, via any method Frontier uses to communicate with the Existing Customer (including but not limited to mail, e-mail, or text message, which may contain a hyperlink); *provided however*, a notice provided comparable to the form shown in Attachment B, even if performed prior to the Effective Date of this Agreement, satisfies this requirement. Frontier's notice shall:

a) Clearly and Conspicuously inform the Existing North Carolina Customer of (i) the maximum Advertised Speed for the Internet Service Plan to which the Existing Customer is subscribed; (ii) the maximum speed for which the Existing Customer is Provisioned (if readily ascertainable); (iii) the range of Internet service speeds Frontier has reason to believe the Existing Customer is likely to receive based on the geographic location of the Existing Customer's residential address; and (iv) how such speeds may impact the Existing Customer's access to various Internet services, such as streaming or gaming;

b) Offer the Existing Customer the options to (i) continue with the current Internet Service Plan; (ii) discontinue the current Internet Service Plan without incurring any additional fee associated with an Internet Service Plan, such as an early termination fee, for cancelling the Internet Service Plan; and (iii) move to another Internet Service Plan product tier in which the Existing Customer can be Provisioned at a minimum of 90% of the maximum Advertised Speed, with a rate change based on the pricing for the new Internet Service Plan product tier, comparable to the form shown in Attachment B. If the Existing Customer elects to discontinue the Internet Service Plan, Frontier shall refund or waive any applicable installation or service connection fees paid in the prior 12 months and early termination fees; and

c) Not include anything in or with the notice or email other than the notice in the form comparable to the form shown in Attachment B, including any billing statements or marketing messages.

ii. For Existing Customers for whom the Provisioned Speed cannot be readily ascertained based on limitations in Frontier's facilities or system capabilities in the Existing Customer's area, Frontier shall issue a notice comparable to the form shown in Attachment C, via any method Frontier uses to communicate with the Existing Customer (including but not limited to mail, e-mail, or text message, which may contain a hyperlink); *provided however*, a notice provided comparable to the form shown in Attachment C, even if performed prior to the Effective Date of this Agreement, satisfies this requirement. Frontier's notice shall:

a) Clearly and Conspicuously inform the Existing North Carolina Customer of (i) the maximum Advertised Speed for the Internet Service Plan to which the Existing Customer is subscribed; (ii) the fact that the Provisioned Speed cannot be readily ascertained based on limitations in Frontier's facilities or system capabilities; (iii) the range of Internet service speeds Frontier has reason to believe the Existing Customer is likely to receive based on the geographic location of the Existing Customer's residential address; and (iv) how such speeds may impact the Existing Customer's access to various Internet services, such as streaming or gaming;

b) Offer the Existing Customer the options to (i) continue with the current Internet Service Plan; (ii) discontinue the current Internet Service Plan without incurring any additional fee associated with an Internet Service Plan, such as an early termination fee, for cancelling the Internet Service Plan; and (iii) move to another Internet Service Plan product tier in which the Customer can be Provisioned at a minimum of 90% of the maximum Advertised Speed, with a rate change based on the pricing for the new Internet Service Plan product tier, comparable to the form shown in Attachment C. If the Existing Customer elects to discontinue the Internet Service Plan, Frontier shall refund or waive any applicable installation or service connection fee paid in the prior 12 months and early termination fees; and

c) Not include anything in or with the notice or email other than

the notice in the form comparable to the form shown in Attachment C, including any billing statements or marketing messages.

37. Within 90 days of the Effective Date, for Customers served by DSLAMs for which Congestion Reports indicate an average peak utilization of 90% or greater in any consecutive three-month period:

a. Frontier shall Clearly and Conspicuously issue a notice via any method Frontier uses to communicate with the Customer (including but not limited to mail, e-mail, or text message, which may contain a hyperlink) to those Customers within 60 days of the end of the three-month period, informing them of: (i) the speed at which they are provisioned; (ii) the range of Internet service speeds they are likely to achieve; and (iii) that the limitations of those speeds may impact various Internet services, such as streaming or gaming.

b. Frontier shall, when a Customer subscribed to an Internet Service Plan with an Advertised Speed contacts Frontier with an inquiry or complaint that the Customer's Internet speed experienced is slower than the Advertised Speed and the Customer requests or it is otherwise clear from the communication that Frontier should investigate or take action to address service speed, respond to the Customer by, at Frontier's option: (a) initiating a review to respond to the Customer's complaint, such as through a Speed Assessment Procedure comparable to the one set forth in Exhibit B, and if the review reveals that the Customer is unable to receive at least 90% of the maximum Advertised Speed or higher, Frontier shall issue a notice comparable to the form shown in Attachment D; or (b) issuing a notice comparable to the form shown in Attachment D; *provided however*, a notice provided comparable to the form shown in Attachment D, even if performed prior to the Effective Date of this Agreement, satisfies this requirement.

i. Frontier shall issue the notice via any method Frontier uses to communicate with the Customer (including but not limited to mail, e-mail, or text message, which

may contain a hyperlink).

ii. Frontier's notice shall:

a) Offer the Customer the options to (i) continue with the current Internet Service Plan; (ii) discontinue the current Internet Service Plan without incurring any additional fee associated with an Internet Service Plan, such as an early termination fee; and (iii) move to another Internet Service Plan product tier in which the Customer can be Provisioned at a minimum of 90% of the maximum Advertised Speed, with a rate change based on the pricing for the new Internet Service Plan product tier. If the Customer elects to discontinue the Internet Service Plan, Frontier shall refund or waive any applicable installation or service connection charges paid in the prior 12 months and early termination fees; and

b) Not include anything in or with the notice or email other than the notice in the form comparable to the form shown in Attachment D, including any billing statements or marketing messages.

#### **MONETARY RELIEF**

38. Within sixty (60) days of the Effective Date, Frontier shall pay \$300,000 to the State of North Carolina. Said payment shall be used by the State of North Carolina as and for attorneys' fees and other costs of investigation and litigation, or be placed in, or applied to, the consumer protection enforcement fund, including future consumer protection enforcement, consumer education, litigation, or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, consumer restitution, or for other uses permitted by state law, at the sole discretion of the North Carolina Attorney General.

39. Frontier agrees to make an investment of \$20,000,000 (Twenty Million Dollars) in capital expenditures to provide or enhance Internet Service in North Carolina over the four-year period of 2024 through 2027, in addition to the Frontier expenditures to fulfill: (a) any other

Federal Communications Commission Rural Digital Opportunity Fund build out requirements, or (b) any North Carolina grant broadband funding received by Frontier. With respect to any North Carolina grant broadband funding, grant funds received will not be a credit toward the capital expenditures required pursuant to this Agreement; to the extent Frontier contributes its own funds to the build out, those amounts above the actual grant funding amounts received will apply against the investment commitment identified above. Such expenditures shall be made in furtherance of improvements to Internet Service to locations that are not within the build-out requirements of these subsidies commitments to deliver high-speed Internet Service to North Carolina Customers.

40. Frontier shall fulfill the \$20,000,000 (Twenty Million Dollars) capital expenditure using fiber technology designed to meet or exceed at a minimum symmetrical 100 Mbps download and 100 Mbps upload speeds, or any increased speed requirements by federal or state authorities, upon completion according to the following schedule: (a) expend \$10,000,000 (Ten Million Dollars) by the end of 2025; and (b) expend the second \$10,000,000 (Ten Million Dollars) by the end of 2027.

41. Frontier shall not seek to recover any monetary obligations of this Agreement or indirectly transfer the same to North Carolina Consumers through any increase in its Internet Infrastructure Surcharge or rate adjustment or increase solely applicable to North Carolina Customers.

42. Beginning 12 months and concluding 36 months after the Effective Date of this Agreement, Frontier shall credit one half the monthly Internet Service Plan charges to individual North Carolina Customers for all months in which (a) Frontier fails to provision such Customers at least 90% of the highest speed of the range of the tier level to which they are subscribed or higher, unless the Customer has been advised in writing of the option to discontinue their Internet Service Plan or subscribe to another Internet Service Plan, if available, and the Customer has not

elected to discontinue or modify their Internet Service Plan, or (b) Frontier fails to Provision such Customer at least 100% of the speed at which they were informed they were Provisioned.

#### **RELEASE OF CLAIMS**

43. By its execution of the Agreement, the State releases Frontier, including its partners, directors, principals, officers, employees, parents, subsidiaries, affiliates, divisions, predecessors, successors, assigns, attorneys, stockholders, accountants, auditors, advisors, trustees, administrators, fiduciaries, consultants, representatives, insurers, and agents in their respective capacities, from the following: all civil claims, causes of action, damages, restitution, fines, costs, attorneys' fees, and penalties that the State has asserted or could have asserted against Frontier under N.C. Gen. Stat. §§ 75-1.1, *et seq.* or which arise from or relate to the subject matter of the Attorney General's investigation and are or would be based on conduct that occurred prior to the Effective Date of this Agreement and concern Frontier's advertising, marketing, selling, providing, charging, or billing for Internet Service Plans for the period up to and including the Effective Date of this Agreement. However, nothing in this Agreement shall be deemed to preclude the Attorney General's review of acts, practices, or courses of conduct that occur after the Effective Date of this Agreement.

#### **COMPLIANCE MONITORING, REPORTING, AND RECORDKEEPING**

44. For a period of four years after the Effective Date, Frontier shall detail its compliance with the requirements set forth in this Agreement with a semi-annual teleconference presentation to the Consumer Protection Division of the North Carolina Department of Justice. The first presentation shall cover the six-month period starting on the first calendar day of the month following the Effective Date of this Agreement and shall be provided to the Consumer Protection Division within 60 days after the conclusion of that six-month period, and then semi-annually thereafter.

a. Frontier shall provide a copy of its report/presentation document to the Attorney General. Such reporting shall include, at a minimum:

i. The number of North Carolina Customers to which Frontier has sent each type of notice identified in this Agreement; and

ii. Information regarding the capital expenditures that were made during the reporting period, including amount(s) spent, location(s) where spent, capital improvements that were made, and a summary of the effect of such improvements, including on the number of North Carolina Customers receiving new or improved Internet Service; and

iii. A summary of all North Carolina Customer credits or monthly rate adjustments that were issued in accordance with this Agreement during the reporting period.

iv. Copies of complaints received by Frontier regarding Internet Service Plan speeds or service issues.

45. Within fourteen (14) days of receipt of a written request from the State of North Carolina, Frontier must: (i) submit additional compliance reports or other requested information; (ii) appear for depositions; and (iii) produce documents for inspection and copying.

#### **GENERAL PROVISIONS AND APPLICATION**

46. All terms and conditions of this Agreement shall continue in full force and effect on any successor, assignee, or transferee of Frontier. Frontier shall include in any such successor, assignment, or transfer agreement a provision that binds the successor, assignee, or transferee to the terms of this Agreement. No party may assign, delegate, or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Attorney General.

47. Unless a term limit for compliance is otherwise specified for a provision within this Agreement, Frontier's obligations under this Agreement shall remain in effect for a period of forty-eight (48) months after the Effective Date. Nothing in this Agreement shall relieve Frontier of

other obligations imposed by any applicable state or federal law or regulation or any other applicable law.

48. Frontier shall not unilaterally discontinue any Internet Service Plan to North Carolina Consumers solely on account of entering into this Agreement.

49. Frontier promises not to represent directly or indirectly, or in any manner whatsoever, that the Attorney General has sanctioned, condoned, or approved, any part or aspect of its business operation, unless written authorization is obtained from the Attorney General, and then only to the extent of said written authorization. It is agreed and understood that the contents of this Agreement are and shall be public information.

50. It is agreed and understood that, while the parties to this Agreement presently intend to cooperate in securing and obtaining compliance with the terms of this Agreement, the matters settled by this Agreement may be reopened at any time by the Attorney General to monitor compliance with this Agreement.

51. The parties understand and agree that this is a compromise settlement of disputed issues and that the consideration for this Agreement shall not be deemed or construed as: (a) an admission of the truth or falsity of any claims or allegations made against Frontier; or (b) an admission by Frontier that it has violated or breached any law, statute, regulation, term, provision, or obligation of any agreement. This Agreement does not constitute a finding of law or fact, or any evidence supporting any such finding that Frontier has engaged in any act or practice declared unlawful by any laws, rules, or regulations of any state. Frontier denies any liability or violation of law and enters into this Agreement without any admission of liability.

52. This Agreement is not intended for use by any third party in any other proceeding. Neither the settlement of the investigation nor any acts performed, or documents executed in furtherance of this Agreement, shall be deemed an admission of, or evidence of, any alleged

wrongdoing, liability, commission, or omission by Frontier, in any civil, criminal, administrative, or arbitration proceeding.

53. No part of this Agreement constitutes or shall constitute evidence or liability against Frontier in any action brought by any person or entity or other party of any violation of any federal or state statute or regulation or the common law except in an action brought to enforce the terms of this Agreement.

54. The Attorney General has agreed to the terms of this Agreement based on, among other things, the representations made to the Attorney General by Frontier and its counsel and the Attorney General's own factual investigation. Frontier represents and warrants that neither it nor its counsel has made any material representations to the Attorney General that are inaccurate or misleading. If any material representations by Frontier or its counsel are later found to be inaccurate or misleading, this Agreement is voidable by the Attorney General in its sole discretion.

55. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Agreement has been made to or relied upon by Frontier in agreeing to this Agreement.

56. Notwithstanding the foregoing, and without admitting that it has committed any violations of North Carolina law, Frontier promises to take the actions enumerated herein in order to resolve the concerns of the Attorney General.

#### **ENFORCEMENT**

57. This Agreement shall be governed by the laws of the State of North Carolina without regard to any conflict of laws principles.

58. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or

unenforceable in any respect, in the sole discretion of the Attorney General, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.

59. Frontier agrees that this Agreement imposes enforceable, binding obligations on it and that in the event the Attorney General brings an action to enforce the terms of this Agreement, Frontier agrees not to challenge the jurisdiction of any court of competent jurisdiction in North Carolina.

60. Any written notice to Frontier required by this Agreement shall be sent by firstclass mail and e-mail to:

Kevin Saville  
Senior Vice President and General Counsel  
Frontier  
1919 McKinney Ave.  
Dallas, TX 75201  
ks9458@ftr.com

61. Any written reports or correspondence with the Attorney General required by this Agreement shall be sent by firstclass mail and e-mail to:


Kim D'Arruda  
Special Deputy Attorney General  
North Carolina Department of Justice  
Consumer Protection Division  
9901 Mail Service Center  
Raleigh, NC 27699-9901  
kdarruda@ncdoj.gov

62. Frontier represents and warrants, through the signatures below, that the terms and conditions of this Agreement are duly approved. Frontier further represents and warrants that the signatory to this Agreement is a duly authorized officer acting at the direction of the Board of Directors of Frontier.

63. This Agreement memorializes the entire agreement by and between Frontier and the Attorney General regarding the subject matter addressed by this Agreement.


[Remainder of this page intentionally left blank. Signature pages follow.]

On behalf of Frontier:

By:   
\_\_\_\_\_  
Mark Nielsen  
Executive Vice President, Legal & Regulatory  
Frontier Communications Parent, Inc.  
401 Merritt 7  
Norwalk, CT 06851

Date: April 15, 2024

On behalf of the State of North Carolina:

By:   
~~Kim D. Arruda~~ *Kevin Anderson*  
~~Special Deputy Attorney General~~ *Senior Counsel*  
NC Department of Justice  
Consumer Protection Division  
9001 Mail Service Center  
Raleigh, NC 27699-9001  
kdarruda@ncdoj.gov

Date: April 16, 2024

**From:** Ahmed, Nazneen  
**Sent:** Tuesday, April 16, 2024 12:04 PM  
**Subject:** RELEASE: Attorney General Josh Stein Wins \$20 Million for Faster Internet in North Carolina



**Josh Stein, Attorney General**  
**P R E S S   R E L E A S E**

For Immediate Release:  
Tuesday, April 16, 2024

Contact:  
Nazneen Ahmed (919) 716-0060

## **Attorney General Josh Stein Wins \$20 Million for Faster Internet in North Carolina**

(RALEIGH) Attorney General Josh Stein today announced a settlement with Frontier Communications that will require the internet service provider to invest \$20 million over the next four years to improve internet infrastructure and speeds for North Carolina customers.

"Affordable, reliable internet is necessary for North Carolinians to work, study, get health care, and run businesses," said Attorney General Josh Stein. "We've been hearing concerns from Frontier customers for years now, and I'm hopeful that these investments will lead to better service."

In much of western North Carolina, Frontier is people's only choice for internet service. Attorney General Stein sued Frontier in 2021 after the North Carolina Department of Justice received at least 200 complaints from North Carolinians alleging that their internet operated at much slower speeds than Frontier had promised them. The federal court dismissed the state's claims against Frontier while allowing the Federal Trade Commission's case against Frontier to proceed. NCDOJ continued to negotiate with Frontier to reach today's settlement.

As part of the settlement, Frontier will also pay \$300,000 in restitution for customers who were affected by slower speeds in North Carolina. NCDOJ is currently setting up the restitution program and will reach out directly to people who qualify to receive payments. Frontier will also improve their marketing and information to accurately reflect the speeds they provide and give customers free and easy cancellation options when they fail to provide advertised speeds.

More on Attorney General Stein's efforts to keep North Carolina connected:

1. [FCC Emergency Broadband Benefit Saves Eligible Consumers Money for Internet](#)
2. [Attorney General Josh Stein Calls for Funding to Increase Students' Internet Access](#)
3. [Attorney General Josh Stein Works to Protect North Carolinians' Access to Affordable Communications Services](#)
4. [Attorney General Josh Stein Urges NC Legislature to Use Settlement Funds to Improve Internet Access](#)

A copy of the settlement is available [here](#).