



**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



2023 JAN 18 PM 4:05  
STATE OF NORTH CAROLINA  
DEPARTMENT OF JUSTICE  
ATTORNEY GENERAL

**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  
**ACI Worldwide Corp. and ACI Payments, Inc.**

DATE: January 18, 2023

Pursuant to the Assurance of Voluntary Compliance ("AVC") reached in the multi-state investigation into ACI Worldwide Corp. ("ACI Corp."), and ACI Payments, Inc ("ACI Payments"), and their successors and assigns (collectively "ACI"), a wire in the amount of \$395,416.80 was deposited with Financial Services on November 6, 2023 into the DOJ Consumer Protection budget fund 2022266, account 45500000 Fines, Penalties, Assessment Fees, AMU 0902196 ACI.

This agreement settles the multi-state investigation into ACI'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 is a payment processor for a variety of third-party clients, including mortgage servicers such as Nationstar Mortgage, known publicly as Mr. Cooper. During the incident, Mr. Cooper customers who were set up for automatic payments using the Speedpay system had erroneous mortgage payments attempted from their accounts. While the vast majority of withdrawals did not ultimately go through or were reversed, 1.4 million transactions totaling \$2.3 billion were processed, impacting 477,000 Mr. Cooper customers, including more than 14,769 North Carolinian customers.

As a result of the agreement ACI agreed to pay the Attorneys General \$10,000,000.00 of which North Carolina will receive \$395,416.80. 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, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the North Carolina Attorney General.

Additionally, ACI agreed to take steps to avoid any future incidents as well as settling a separate

agreement with state regulators and to paying restitution directly to impacted consumers through other related settlements.

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

cc: Phil Woods  
Keith Clayton  
Melvinna Adams  
Melissa Lovell  
Wendy Stevens / ACI Worldwide Corp Settlement File



# Previous Day Composite Report

Custom

As of 11/03/2023

Company: NC DEPARTMENT OF STATE TREASURER

User: Janice Boyce

11/06/2023 07:56 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	395,416.80
Total Debits	395,416.80
Total Number Credits	1
Total Number Debits	1

*Handwritten:* DPH 444 362360 1

### Summaries

Type of Credit	Number of Items	Amount
Total Wire Transfer Credits	1	395,416.80
Credit Totals	1	395,416.80
Type of Debit	Number of Items	Amount
Total ZBA Debits	1	395,416.80
Debit Totals	1	395,416.80

*Handwritten:* 11-30023

### Credit Transactions

11/3/2023	195 / INCOMING MONEY TRANSFER Cust Ref: 00000000000 Unique ID: RG231103187771 WT FED#04670 TRUST OUTGOING WIR /ORG-ACI PAYMENTS INC SRF# 231103B0224N TRN#231103187771 RFB# 231103B0224N	Credit Amount: Bank Ref: IA009996307148	395,416.80
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### Debit Transactions

11/3/2023	575 / INDIVIDUAL ZBA DEBIT Cust Ref: 00000000000 ZERO BALANCE ACCOUNT TRANSFER TO 2062670003460	Debit Amount: Bank Ref: IA110300000046	395,416.80
Account Net Amount			0.00

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	3	1,114.80
Credit Totals	3	1,114.80
Type of Debit	Number of Items	Amount
Total ZBA Debits	1	1,114.80
Debit Totals	1	1,114.80

### Credit Transactions

11/3/2023	165 / MISCELLANEOUS ACH CREDIT	Credit Amount:	886.38
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Data Access Set: NC CASH - AGENCY 0900

**Edit Journal** ?

Save Cancel

Last Saved 11/6/23 1:25 PM

Journal Batch: 0900 DEP 11/06/23 ACH CREDIT ACI PAYMENT BC 23600 ? | Show More E

Projected Balances	
PTD	Total
No lines selected.	

Journal Batch

Description

Balance Type Actual

\* Accounting Period

Attachments None

Source Manual

Approval Status Required

Funds Status Not attempted

Batch Status Unposted

Completion Status Complete

Journal ? | Show More Manual 2615324 06-NOV-2023 13:25: ? | Journal Actions

Journal

Description

\* Ledger NC CASH US

\* Accounting Date

\* Category

Currency

Conversion Date 11/3/23

Conversion Rate Type User

Conversion Rate 1

Inverse Conversion Rate 1

**Journal Lines** ?

Actions View Format [Icons] Detach Wrap

Line	* Account	Entered (USD)		Description
		Debit	Credit	
1	0900-202266-11120000-0000000-0000000-0000-001	395,416.80		ACH CREDIT
Type DEP - CASH & CHECK				
DEP - CASH & CHECK 0000000300386				
Regional Information				
2	<input type="text" value="0900-202266-45500000-0902196-0001"/>		<input type="text" value="395,416.80"/>	<input type="text" value="ACH CREDIT"/>
<b>Total</b>		<b>395,416.80</b>	<b>395,416.80</b>	

Columns Hidden 11

**ASSURANCE OF DISCONTINUANCE/ASSURANCE OF VOLUNTARY COMPLIANCE**

1. This Assurance of Discontinuance/Assurance of Voluntary Compliance<sup>1</sup> (“Assurance” or “Agreement”) is entered into by the Attorneys General of the Participating States as set forth in Exhibit A (collectively, the “Participating Attorneys General” and/or “Participating States”);<sup>2</sup> and ACI Worldwide Corp. (“ACI Corp.”) and ACI Payments, Inc. (“ACI Payments”), and their successors and assigns (collectively, “ACI”), to resolve an investigation of the Participating Attorneys General into the Money Transmission Instruction Error. ACI enters into this Assurance solely for the purpose of resolving certain disputed claims of the Participating States. The Assurance of Voluntary Compliance shall not be considered an admission of a prior violation of law.
2. ACI Payments is a Delaware corporation with headquarters located in Elkhorn, Nebraska. ACI Payments is a wholly owned subsidiary of ACI Corp., a Nebraska corporation. ACI Corp. has direct and/or indirect control over ACI Payments and shares integrated services involving information technology (“IT”) and other operational aspects of the enterprise pursuant to intercompany agreements.
3. In consideration of their mutual agreement to the terms of this Assurance, and such other consideration as described herein, the sufficiency of which is hereby acknowledged, the

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<sup>1</sup> This Assurance of Voluntary Compliance shall, for all necessary purposes, also be considered an Assurance of Discontinuance.

<sup>2</sup> For ease of reference, this entire group will be referred to collectively herein as the “Participating Attorneys General” or individually as “Participating Attorney General.” Such designations, however, as they pertain to Connecticut, shall refer to the Attorney General, both acting on his own behalf and as authorized by the Commissioner of the Department of Consumer Protection. Such designations, as they pertain to Hawaii, shall refer to the Executive Director of the State of Hawaii Office of Consumer Protection. Such designations, as they pertain to Maryland, shall refer to the Consumer Protection Division of the Office of the Attorney General of Maryland, which has authority to enter into this Assurance pursuant to Md. Code Ann., Com. Law § 13-402. Such designations, as they pertain to Utah, shall refer to the Division of Consumer Protection of the Utah Department of Commerce.

Participating Attorneys General and ACI (collectively, the “Parties”) hereby agree as follows:

**I. BACKGROUND**

4. This Assurance follows an investigation by the Participating Attorneys General and the State Money Transmission Regulators<sup>3</sup> into the incident that occurred on or around April 23, 2021, which considered whether ACI violated the Participating States’ state consumer protection and trade practice statutes and regulations, including the statutes listed in Exhibit A (collectively, the “Consumer Statutes”).
5. ACI Payments is licensed as a money transmitter under the laws and regulations of every state which requires licensure.
6. ACI’s Speedpay bill payment solution is marketed as an electronic platform providing electronic bill presentment and payment services, including allowing for one-time and recurring billing and payment processing capabilities (the “Speedpay Platform”).
7. ACI Corp. acquired the Speedpay Platform in May 2019 with a two-year transition services agreement with the previous owner of Speedpay. Speedpay was subsequently merged into ACI Payments. Commencing March 1, 2021, ACI assumed IT responsibility for supporting and maintaining the Speedpay Platform. At the time of this transition, the Speedpay Platform was still hosted in the previous owner’s IT environment with certain services still provided by legacy third-party vendors.

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<sup>3</sup> The state money transmission regulators of States of Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Maine, Maryland, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, the Commonwealths of Kentucky, Pennsylvania, Puerto Rico, and Virginia, and the District of Columbia (“State Money Transmission Regulators”) have entered into a separate Settlement Agreement and Consent Order with ACI.

8. A large U.S. residential mortgage lending and servicing company (the “Mortgage Company”) used the Speedpay Platform for payment processing services as it related to its residential mortgage servicing activities. ACI, as a vendor for the Mortgage Company, regularly processed mortgage payments for certain consumer mortgage borrowers whose loans were serviced by the Mortgage Company. ACI created Automated Clearing House (“ACH”) files used to facilitate bill payment for those consumer borrowers and remitted the debited funds to the Mortgage Company’s bank account and remitted credited funds to borrowers’ bank accounts.
9. On or about April 23, 2021, ACI conducted testing to optimize the Speedpay Platform’s ACH processing code to increase the rate at which ACH files were generated for production through the Speedpay Platform for the Mortgage Company (the “Speedpay Optimization Project”). To accomplish the Speedpay Optimization Project, ACI’s testing used consumer information previously obtained through its processing of debit and credit transactions for the Mortgage Company. The State Money Transmission Regulators determined that during the Speedpay Optimization Project, the legacy vendors’ circumvention of internal data security controls and a lack of segregation between internal production and testing environments resulted in 1,432,821 ACH debit and credit entries being unintentionally and erroneously sent to the ACH Network. These entries related to 478,568 customer borrowers of the Mortgage Company and reflected a total dollar value of \$2,389,173,559.05 (the “Money Transmission Instruction Error”).
10. ACI became aware of the Money Transmission Instruction Error the morning of the day following the submission of the erroneous files, a Saturday, and took immediate steps with the intent to reverse the erroneous debits and credits and to minimize the impact of the

Money Transmission Instruction Error on consumers. During the course of the investigation, ACI represented to the Participating Attorneys General that although these credits and debits were reflected on the consumers' respective accounts, the steps taken to reverse the erroneous debits and credits resulted in approximately 99.998% of the erroneous debit entries being offset before any funds moved from consumer accounts. ACI represents that by the end of May 2021, all of the accounts impacted by erroneous debit entries had been corrected.

11. Some consumers impacted by the Money Transmission Instruction Error received excess credits to their accounts from ACI's funds, which were deposited as part of the process of reversing the erroneous debits. ACI represents that as of the end of August 2021, the total balance of excess credits deposited in these consumers' accounts was approximately \$2.9 million. ACI has represented that it has waived its right to recoup these excess credits from consumers.
12. Although the full indirect consumer impact is undetermined as of the Effective Date of this Assurance, approximately 2,710 consumers reported to the Mortgage Company that they experienced financial harm as a result of the Money Transmission Instruction Error.
13. Shortly after ACI became aware of the Money Transmission Instruction Error, ACI investigated all its server settings and prevented communications between all applicable production and testing/quality assurance servers. ACI has represented to the Participating Attorneys General that it has implemented and is in the process of implementing additional safeguards to prevent duplicate transactions from being processed.
14. The State Money Transmission Regulators determined that the Money Transmission Instruction Error was possible due to significant defects in ACI's privacy and data security

procedures and technical infrastructure related to the Speedpay platform. Specifically, the level of supervision and training of vendor personnel and system controls on the Speedpay platform did not ensure that: (1) vendors followed required policies, procedures, and practices such as sending production database requests to the correct group and validating that the databases were scrubbed to remove consumer data and (2) that there were sufficient technological safeguards to enforce the forgoing policies and procedures.

15. The Participating Attorneys General enter this Assurance with the understanding that the State Money Transmission Regulators have entered into a Settlement Agreement and Consent Order with ACI in coordination with this Assurance.

## II. DEFINITIONS

16. For purposes of this Assurance, the following definitions<sup>4</sup> shall apply:

- a. **“Client”** means the entity for whom ACI is processing payment transactions of any type.
- b. **“Consumer”** means a natural person who has authorized ACI, either directly or through a third-party Client, to process any payment, including any ACH debit or credit transaction.
- c. **“Consumer Information”** has the same meaning as “customer information” as that term is defined in 16 C.F.R. 314.2(d).
- d. **“Day or days”** means calendar days.
- e. **“Effective Date”** means October 17, 2023.
- f. **“Money Transmission Instruction Error”** means the incident that occurred on or around April 23, 2021, in which ACI impermissibly initiated 1,432,821 ACH debit and credit transactions impacting 478,568 customer borrowers of a mortgage company with a total dollar value of \$2,389,173,559.05.
- g. **“Security Event”** means any compromise by (1) unauthorized access, (2) unauthorized use, or (3) inadvertent disclosure, that impacts the confidentiality, integrity, or availability of any Consumer Information held or stored by ACI or any

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<sup>4</sup> All definitions shall equally apply to any plural or possessive forms of the defined term.

Third-Party Vendor, including but not limited to a data breach as defined by the laws of any Participating State.

- h. **“The State Money Transmission Regulators’ Consent Order”** means the Settlement Agreement and Consent Order that ACI and the respective state money transmission regulatory agencies of States of Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Maine, Maryland, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, the Commonwealths of Kentucky, Pennsylvania, Puerto Rico, and Virginia, and the District of Columbia entered into on or around October 16, 2023 regarding the Money Transmission Instruction Error.
- i. **“Synthetic Data”** means data that is artificially manufactured, rather than generated by real-world transactions. Synthetic Data is not traceable to any specific Consumer Information and is used to protect Consumer Information from inadvertent or unauthorized disclosure, use, or access.
- j. **“Third-Party Vendor”** means any third-party hired by ACI to process or assist in the processing of Consumer payments or who otherwise has access to Consumer Information on ACI’s internal software or systems.

### III. APPLICATION

17. The duties, responsibilities, burdens, and obligations undertaken in connection with this Assurance shall apply to ACI, and its officers, directors, and employees.

### IV. ASSURANCES

18. ACI must not process any payment, which includes any ACH debit or credit transaction, that it knows or should know, with the exercise of reasonable diligence, exceeds the Consumer’s express authorization or instruction, whether made directly to ACI or through a third-party Client for whom ACI is processing payments.
19. ACI must not use Consumer Information, including ACH information or other Consumer payment information, except (1) as authorized by the Consumer, (2) when necessary to process the transaction, or (3) as required by law, regulation, or rule.

20. When testing ACI software or systems, ACI must use only Synthetic Data. The “Qualified Individual(s)”, as described in further detail below, may permit an exception to the requirement in the prior sentence only if the Qualified Individual determines that (a) it is not reasonably practical to obtain rigorous and reliable results from a given test without using data that reflects the structure, volume, specificity, and diversity of Consumer Information and (b) such Consumer Information is subject to documented controls, as approved by a Qualified Individual, to ensure it is handled, processed, and disposed of in a secure manner and in conformity with the obligations in this Assurance. If the Qualified Individual grants an exception under this paragraph, the decision must be documented in writing and include the following items: the purpose and nature of the test; the date on which the test will be performed; a description of the specific dataset to be used in the test; and the reason(s) why Synthetic Data could not have reasonably been used. ACI will produce all documents relating to the granting of any exception to this paragraph upon request by any Participating Attorney General. This term shall expire five (5) years after the Effective Date of this Assurance. Nothing in this Paragraph should be construed or applied to excuse ACI from its obligation to comply with all applicable state and federal laws, regulations, and rules.
21. ACI must maintain at all times the segregation of any testing, development, or quality assurance environment from its production environment.
22. ACI must ensure that any ticketing system used to request or obtain Consumer Information, including but not limited to the Jira ticketing system, cannot be circumvented through other forms of communication including but not limited to emails, phone calls, or messaging.

23. ACI must maintain at all times a comprehensive information security program (“Information Security Program”) with the core objectives being (a) to ensure the security and confidentiality of Consumer Information; (b) to protect against any reasonably anticipated threats or hazards to the security or integrity of such information; and (c) to protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any Consumer. An Information Security Program that satisfies the requirements of the State Money Transmission Regulators’ Consent Order shall satisfy the requirements of this paragraph.
24. As part of its Information Security Program, ACI must promptly ascertain and remediate any Consumer harm caused by a breach of the security or confidentiality of Consumer Information or unauthorized access or use of such information.
25. ACI must maintain at all times a cybersecurity program (“Cybersecurity Program”) designed to timely: (a) assess the nature, scope, and impact of a cyber incident; (b) contain the incident and mitigate its impact; (c) notify appropriate internal and external stakeholders (such as law enforcement, regulators, and other public authorities, as well as shareholders, third party service providers, and Consumers); (d) coordinate joint response activities as needed; and (e) promptly ascertain and remediate any Consumer harm. A Cybersecurity Program that satisfies the requirements of the State Money Transmission Regulators’ Consent Order shall satisfy the requirements of this paragraph.
26. ACI must utilize at all times one or more “Qualified Individuals” responsible for overseeing, implementing, and enforcing the Information Security Program and the Cybersecurity Program (collectively, the “Programs”).

27. Each Qualified Individual must directly deliver reports, make presentations, and have the authority to unilaterally escalate issues to the appropriate ACI Board of Directors, the appropriate committee(s) of the Board of Directors, and the appropriate members of senior management.
28. Each Qualified Individual must have the requisite background, experience, and skillset necessary to fulfill the responsibilities of this position.
29. Each Qualified Individual must have all of the authorities and responsibilities needed to oversee, implement, and enforce the Programs given a business enterprise having the size, operational complexity, and overall risk profile of ACI.
30. ACI must, at all times, document the Programs in writing and must ensure that the Programs are, at all times, appropriate to ACI's size, its complexity, the nature and scope of its activities, and the sensitivity of the data at issue.
31. ACI must regularly test or monitor the effectiveness of the Programs in accordance with the State Money Transmission Regulators' Consent Order.
32. ACI must utilize at all times processes to monitor and reconcile all ACH entries submitted to the Originating Depository Financial Institution ("ODFI") to ensure the accuracy and integrity of such entries. Controls shall include the prevention of duplicate ACH files from being processed by the ODFI and address potentially duplicative ACH files in a timely matter. ACI shall also perform daily reviews when the ACH Network is operating of ACH files to reconcile the ACH files sent to the ODFI with the information provided to ACI by the ODFI.
33. ACI must dispose of Consumer Information in any format no later than two years after the last date the information is used in connection with the provision of a product or service to

which it relates, unless such information is necessary for historic payments research, is otherwise required to be retained by law, rule or regulation, or where targeted disposal is not reasonably feasible due to the manner in which the information is maintained. Disposal of Consumer Information must be by means that protect against unauthorized access to the Consumer Information, such as by shredding, erasing, or otherwise modifying the Consumer Information in the records, to make the Consumer Information unreadable or undecipherable through any means.

34. ACI must make the applicable parts of the Information Security Program, Cybersecurity Program, Disposal Policy, and any training, FAQs, or other descriptive materials related to the Programs and the Disposal Policy easily accessible to ACI employees and any relevant employees of Third-Party Vendors on an easy-to-find page of ACI's intranet or similar electronic form.
35. All ACI employees must attend a training, at least annually, pertaining to ACI's Information Security Program, Cybersecurity Program, and Disposal Policy. All new employees must be trained on ACI's Information Security Program, Cybersecurity Program, and Disposal Policy within 30 days of hire.
36. ACI must: (a) take reasonable steps to select and retain Third-Party Vendors that are capable of maintaining appropriate safeguards to ensure, at a minimum, the confidentiality, integrity, and availability of the Consumer Information at issue; (b) periodically assess ACI's Third-Party Vendors based on the risk they present and the continued adequacy of their safeguards; and (c) require ACI's Third-Party Vendors by contract to implement and maintain such safeguards.

37. ACI must require that all relevant Third-Party Vendors' employees with access to Consumer Information on ACI's system attend ACI's annual training pertaining to ACI's Information Security Program, Cybersecurity Program and Disposal Policy.
38. ACI must provide a copy of this Assurance (a) to all existing Third-Party Vendors within 30 days of the Effective Date of this Assurance and (b) for a period of two (2) years from the Effective Date of this Assurance, to any new Third-Party Vendors prior to entering into any contract for services. For a period of two (2) years from the Effective Date of this Assurance, ACI must collect and preserve a written statement from the Third-Party Vendor acknowledging receipt of this Assurance before the Third-Party Vendor performs any services for ACI.
39. By entering into this Assurance, ACI certifies that all known Consumer financial harm arising out of the Money Transmission Instruction Error has been compensated or remediated. To the extent additional Consumer harm becomes known and can be verified, ACI must compensate or remediate any such harm.
40. ACI must promptly ascertain and compensate or remediate all Consumer harm caused by ACI's failure to comply with the terms of this Assurance, including Consumer harm related to acts or omissions by a Third-Party Vendor, or any future money transmission error.

## V. MONITORING

41. Within 14 days of the Effective Date of this Assurance, ACI must provide to the Participating Attorneys General the contact information of an executive-level employee who may be contacted to discuss any issues related to this Assurance.
42. In addition to complying with any law applicable to security breaches, for a period of five (5) years from the Effective Date of this Assurance, if ACI experiences a Security Event impacting Consumer Information, ACI must notify the Participating Attorneys General of

the Security Event and provide the following information within 30 days of ACI's determination that a Security Event has occurred:

- a. The facts of the incident;
- b. The number of Consumers impacted, broken down by state;
- c. The amount of harm experienced by Consumers, broken down by state;
- d. The steps ACI has taken to correct the incident; and
- e. The steps ACI has taken to make Consumers whole.

ACI must send (electronically and via first class mail or common carrier) any notice required by this Paragraph to the contact person for each Participating Attorney General's office as designated in Paragraph 60 of this Assurance. Any Participating Attorney General may update its designee or address by sending written notice to ACI informing ACI of the change.

## **VI. ENFORCEMENT**

43. The provisions of this Assurance are enforceable by the Participating Attorneys General. The Participating Attorneys General, jointly or individually, may make such application as appropriate to enforce or interpret the provisions of this Assurance or, in the alternative, may maintain any action within their legal authority. In any action to enforce this Assurance, the Participating Attorney(s) General may seek any appropriate relief authorized by law.
44. An enforcement action under this Assurance may be brought solely by the State of North Carolina. No provision of this Assurance shall be construed as providing a private right of action to enforce its terms, nor shall any provision of this Assurance be construed as a release of any claim that a Consumer may have against ACI.

**VII. PAYMENT TO THE PARTICIPATING ATTORNEYS GENERAL**

45. ACI must pay to North Carolina Three Hundred Ninety-Five Thousand, Four Hundred Sixteen Dollars and Eighty cents (\$395,416.80). 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, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the North Carolina Attorney General. Payment to the North Carolina Attorney General shall be made within twenty (20) calendar days of receiving written payment processing instructions from the North Carolina Attorney General.
46. The Parties acknowledge and agree that ACI is entering into separate agreements in substantially the same form as this Assurance with each of the Participating Attorneys General, and that the aggregate amount of the required payments under those agreements and this Assurance is Ten Million Dollars (\$10,000,000).

**VIII. RELEASE**

47. Upon full payment of the amounts due under Section VII of this Assurance, the Participating Attorneys General shall hereby release and forever discharge ACI and its past and present officers, directors, and employees, from all civil claims that the Participating Attorneys General could have brought under the Consumer Statutes or 12 U.S.C. § 5536(a)(1)(B) based on ACI's conduct related to the Money Transmission Instruction Error. Nothing contained in this paragraph shall be construed to limit the ability of any Participating Attorney General to enforce the obligations that ACI has under this Assurance. Further, nothing in this Assurance shall be construed to create, waive, limit,

settle, release, or resolve any private right of action, including such private causes of action, claims, or remedies that could be brought under the Consumer Statutes.

**IX. PRESERVATION OF AUTHORITY**

48. Nothing in this Assurance shall be construed to limit the authority or ability of the State of North Carolina to protect the interests of the State of North Carolina or the people of the State of North Carolina. This Assurance shall not bar the State of North Carolina or any other governmental entity from enforcing laws, regulations, or rules against ACI for conduct subsequent to or otherwise not covered by this Assurance. Further, nothing in this Assurance shall be construed to limit the ability of the State of North Carolina to enforce the obligations that ACI has under this Assurance.

**X. GENERAL PROVISIONS**

49. The Parties understand and agree that this Assurance shall not be construed as an approval or sanction by the Participating Attorneys General of ACI's business practices, nor shall ACI represent that this Assurance constitutes an approval or sanction of its business practices. The Parties further understand and agree that any failure by the Participating Attorneys General to take any action in response to any information submitted pursuant to this Assurance shall not be construed as an approval or sanction of any representations, acts, or practices indicated by such information, nor shall it preclude action thereon at a later date.

50. Nothing in this Assurance eliminates or alters ACI's obligation to comply with any applicable federal or state laws, regulations, rules, or any other requirements imposed by a federal or state agency. In the event there is a conflict between this Assurance and any federal or state laws, regulations, rules, or other requirements imposed by a federal or state agency, such that ACI cannot comply with this Assurance without violating these

requirements, ACI must document such conflicts and notify the Participating Attorneys General that it intends to comply with the requirements to the extent necessary to eliminate the conflict. Any Participating Attorney General may request a meeting, to be held within 30 days of the request, to discuss the steps ACI has implemented to resolve the conflict, and ACI must comply with any such reasonable request.

51. ACI shall deliver a copy of this Assurance to, or otherwise fully apprise, each of its current officers of the rank of executive vice president or above, the executive management officer having decision-making authority with respect to the subject matter of this Assurance, and each member of ACI Corp's Board of Directors within ninety (90) days of the Effective Date. For a period of five (5) years from the Effective Date of this Assurance, ACI shall deliver a copy of this Assurance to, or otherwise fully apprise, any new officers of the rank of executive vice president or above, any new executive management officer having decision-making authority with respect to the subject matter of this Assurance, and each new member of the ACI Corp's Board of Directors, within ninety (90) days from which such person assumes his/her position with ACI. Upon the expiration of this paragraph ACI is still obligated to comply with the terms of this Assurance.

52. In states in which a statute requires that this Assurance be filed with and/or approved by a court, ACI consents to the filing of this Assurance and to its approval by a court in such state, and authorizes the Participating Attorneys General in such states to represent that ACI does not object to the request that the court approve the Assurance.<sup>5</sup> ACI further consents to be subject to the jurisdiction of such courts (if legally required) for the exclusive purpose of having such courts approve or enforce this Assurance. To the extent there are

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<sup>5</sup> ACI understands each Participating Attorney General will conform this Assurance in accordance with statute, rule, or practice and may add a cover page or caption to the document as necessary.

any court costs associated with the filing of this Assurance (if legally required), ACI agrees to pay such costs. No court costs, if any, shall be taxed against any Participating Attorney General.

53. ACI shall not participate in any activity or form a separate entity or corporate entity for the purpose of engaging in acts or practices in whole or in part that are prohibited by this Assurance or for any other purpose that would otherwise circumvent any term of this Assurance. ACI shall not knowingly cause, permit, or encourage any other persons or entities acting on its behalf to engage in practices prohibited by this Assurance.
54. This Assurance may be executed by counterparts all of which together shall constitute one and the same document. One or more counterparts of this Assurance may be delivered by electronic transmission with the intent that it or they shall constitute an original counterpart thereof.
55. The undersigned ACI representatives state that they are authorized to enter into and execute this Assurance on behalf of ACI and further agree to execute and deliver all authorizations, documents, and instruments which are necessary to carry out the terms and conditions of this Assurance.
56. ACI agrees that this Assurance does not entitle it to seek or to obtain attorneys' fees as a prevailing party under any statute, regulation, or rule, and ACI further waives any right to recover attorneys' fees related to this Assurance from the Participating Attorneys General or the Participating States that may arise under any statute, regulation, or rule.
57. This Assurance shall not be construed to waive any claims of sovereign immunity the Participating Attorneys General may have in any action or proceeding.

58. This Assurance is not intended for use by any third-party in any other proceeding and is not intended, and should not be construed as, an admission of any wrongdoing or liability by ACI related to the Money Transmission Instruction Error.

**XI. SEVERABILITY**

59. If any clause, provision, or section of this Assurance is, for any reason, held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision or section of this Assurance, and this Assurance shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section or provision had not been contained herein.

**XII. NOTICE/DELIVERY OF DOCUMENTS**

60. Any notices or other documents required to be sent under this Assurance (including the notice requirements required by Paragraph 42 of this Assurance) shall be sent to the following designated contacts:

**For the North Carolina ATTORNEY GENERAL:**

Keith T. Clayton  
Special Deputy Attorney General  
North Carolina Department of Justice  
114 W. Edenton St.  
Raleigh, NC 27603  
kclayton@ncdoj.gov

**For ACI:**

Courtney Snyder  
Jones Day  
500 Grant Street, Suite 4500  
Pittsburgh, PA 15219  
clsnyder@jonesday.com

Dennis Byrnes  
ACI Worldwide  
6060 Coventry Drive  
Elkhorn, NE 68022  
dennis.byrnes@aciworldwide.com

61. Any party may update its designee or address by sending written notice to the other party informing them of the changes.

All notices or other documents to be provided under this Assurance shall be sent electronically and via first class mail or other nationally recognized courier service that provides for tracking services and identification of the person signing for the notice or document and shall be deemed to be sent upon mailing.

**CONSENTED AND AGREED TO BY:**

**FOR ACI WORLDWIDE CORP.**

By: 

Date: October 16, 2023

Scott Behrens  
President  
ACI Worldwide Corp.

**FOR ACI PAYMENTS, INC.**

By: 

Date: October 16, 2023

Benjamin W. Mitchell  
President  
ACI Payments, Inc.

**ATTORNEYS FOR THE STATE OF NORTH CAROLINA**

**JOSHUA H. STEIN**  
Attorney General



**KEITH T. CLAYTON**  
Special Deputy Attorney General  
N.C. Department of Justice  
P.O. Box 629  
Raleigh, NC 27602  
Tel: 919-716-6000  
Fax: 919-716-6050  
Email: [kclayton@ncdoj.gov](mailto:kclayton@ncdoj.gov)

Date: 10-16-23

**EXHIBIT A: PARTICIPATING STATES**

<b><u>States And Territories</u></b>	<b><u>Consumer Protection Laws</u></b>
Alabama	Ala. Code §§ 8-19-1, <i>et seq.</i>
Alaska	Alaska Stat. §§ 45.50.471, <i>et seq.</i>
Arizona	Ariz. Rev. Stat. §§ 44-1521, <i>et seq.</i>
Arkansas	Ark. Code §§ 4-88-101, <i>et seq.</i>
California	Cal. Bus. & Prof. Code §§ 17200 <i>et seq.</i>
Colorado	C.R.S. §§ 6-1-101, <i>et seq.</i>
Connecticut	Conn. Gen. Stat. §§ 42-110b, <i>et seq.</i>
Delaware	6 Del. C. §§ 2511, <i>et seq.</i>
Florida	Fla. Stat. §§ 501.201, <i>et seq.</i>
Georgia	O.C.G.A. § 10-1-390, <i>et seq.</i>
Hawaii	Haw. Rev. Stat. Chpts. 480 and 481A
Idaho	Idaho Code § 48-601 <i>et seq.</i>
Illinois	815 ILCS 505/1 <i>et seq.</i>
Indiana	Indiana Code §§ 24-5-0.5-1, <i>et seq.</i>
Iowa	Iowa Code §§ 714.16, <i>et seq.</i>
Kansas	Kan. Stat. §§ 50-623, <i>et seq.</i>
Kentucky	Ky. Rev. Stat. §§ 367.110, <i>et seq.</i>
Louisiana	La. Rev. Stat. §§ 51:1401, <i>et seq.</i>
Maine	5 M.R.S.A. §§ 205-A, <i>et seq.</i>
Maryland	Md. Com. Law Code §§ 13-101, <i>et seq.</i>
Massachusetts	Mass. Gen. Laws Ch. 93A, §§ 1-11, <i>et seq.</i>
Michigan	MCL 445.901 <i>et seq.</i>
Minnesota	Minn. Stat. §§ 325F.68-.694, 325D.43-.48, 325F.67
Mississippi	Miss. Code §§ 75-24-1, <i>et seq.</i>
Montana	Mont. Code § 30-14-103

<u>States And Territories</u>	<u>Consumer Protection Laws</u>
Nebraska	Neb. Rev. Stat. §§ 59-1601, <i>et seq.</i> , §§ 87-301, <i>et seq.</i>
Nevada	NRS 598.0903, <i>et seq.</i>
New Hampshire	RSA 358-A, <i>et seq.</i>
New Jersey	N.J. Stat. 56:8-1, <i>et seq.</i>
New York	N.Y. Exec. Law § 63(12); N.Y. Gen. Bus. Law §§ 349-350.
North Carolina	N.C. Gen. Stat. §§ 75-1.1, <i>et seq.</i>
North Dakota	North Dakota Century Code §§ 51-15-01, <i>et seq.</i>
Ohio	Ohio Rev. Code 1345.01, <i>et seq.</i>
Oklahoma	15 O.S. §§ 751, <i>et seq.</i>
Oregon	Or. Rev. Stat. §§ 646.605, <i>et seq.</i>
Pennsylvania	73 P.S. §§ 201-1, <i>et seq.</i>
Rhode Island	R.I. Gen. Laws §§ 6-13.1-1, <i>et seq.</i>
South Carolina	South Carolina Code §§ 39-5-10 <i>et seq.</i>
South Dakota	S.D.C.L. Chapter 37-24
Tennessee	Tenn. Code §§ 47-18-101, <i>et seq.</i>
Texas	Tex. Bus. & Com. Code §§ 17.41, <i>et seq.</i>
Utah	Utah Code §§ 13-11-1 through 23
Vermont	9 V.S.A. Chapter 63
Virginia	Va. Code Ann. §§ 59.1-196, <i>et seq.</i>
Washington	RCW 19.86.010-19.86.920
West Virginia	W. Va. Code §§ 46A-1-101, <i>et seq.</i>
Wisconsin	Wis. Stat. §§ 100.18, 100.26(4), and 100.263
Wyoming	Wyo. Stat. §§ 40-12-101 --114
District of Columbia	D.C. Code §§ 28-3901 <i>et seq.</i>
Puerto Rico	10 P.R. Laws §§ 257 <i>et seq.</i>



**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

Credit Totals 2 300,750.00

Type of Debit	Number of Items	Amount
Total ZBA Debits	1	300,750.00

Debit Totals 1 300,750.00

### 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: 00000000000 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
Credit Total		Credit Amount	300,750.00

### Debit Transactions

5/30/2024	575 / INDIVIDUAL ZBA DEBIT Cust Ref: 00000000000 ZERO BALANCE ACCOUNT TRANSFER TO 2062670003460	Debit Amount: Bank Ref: IA053000000005	300,750.00
Account Net Amount			0.00

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
Credit Totals	1	1,722.42

**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](#).

JEFF JACKSON  
ATTORNEY GENERAL

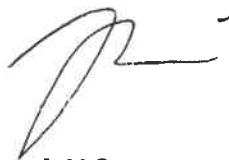


CONSUMER PROTECTION  
TOLL-FREE IN NC: (877) 566-7226  
OUTSIDE OF NC: (919) 716-6000  
FAX: (919) 716-6050

2025 FEB 12 AM 10:22  
NC DEPT OF JUSTICE FSS

**MEMORANDUM**

TO: Financial Services

FROM: Kunal Choksi, Division Director 

RE: Deposit Distribution  
**Oquirrh Mountain Phlebotomy School, LLC**

DATE: February 12, 2025

Pursuant to the settlement agreement between our office and Defendants Oquirrh Mountain Phlebotomy School, LLC ("OMPS") and Dalla Myron Rasmussen ("Rasmussen"), a wire in the amount of \$75,000.00 was deposited with Financial Services on January 10, 2025 into the account 0900 202266 45500000. This payment will be moved into a Project Code for OMPS once one has been set up.

This agreement settles a lawsuit brought by our office regarding allegations that OMPS and Rasmussen operated a school in Wilmington, NC, offering classes about phlebotomy and placing IV catheters between 2014 and 2023, in violation of North Carolina's proprietary school licensing requirements and unfair and deceptive trade practices law.

As a result of the settlement agreement, OMPS has agreed to pay North Carolina \$150,000.00 in two separate payments before July 13, 2025, which may be expended by the State as authorized by the laws of the State of North Carolina.

OMPS also agreed to consumer refunds to individuals for lessons, courses, or instruction provided by OMPS during a certain window, that have not already been refunded by OMPS. A wire in the amount necessary to make these refunds, plus \$5.00 per individual or entity identified that is owed a refund to offset costs of the claim process, will be paid to our office no later than January 13, 2026. The established fee of \$5 per individual will remain with the Department of Justice while the unspoken for consumer refunds will be turned over to the NC Department of Treasury, Unclaimed Property Division.

Additionally, OMPS and Rasmussen have agreed to no longer offer any courses, lessons, or instruction in the State of North Carolina relating to phlebotomy, the placement of IV catheters, the administration of EKGs, or any other related discipline, without first obtaining an appropriate license under Chapters 115D or 116 of the North Carolina General Statutes.

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

cc: Kim D'Arruda  
Danielle Wilburn Allen  
Matt Longobardi  
Melissa Lovell  
Wendy Stevens/OMPS Settlement File


JEFF JACKSON  
ATTORNEY GENERAL



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

**MEMORANDUM**

TO: Janice Boyce, FSS

FROM: Wendy Stevens, Consumer Protection 

RE: Deposit  
Oquirrh Mountain Phlebotomy School, LLC

DATE: January 10, 2025

Attached is the wire detail for \$75,000.00 (seventy-five thousand dollars) that was received by Financial Services 1/9/2025.

These funds represent the first payment relating to the Settlement Agreement reached between our office and Oquirrh Mountain Phlebotomy School, LLC ("OMPS") and Dallas Myron Rasmussen.

These funds should be deposited into the following account until a project coded account can be set up:

0900 202266 45500000 000000 – Consumer Protection, Fines Penalties Fees, General 2140

If you have any questions, please contact me at [wstevens@ncdoj.gov](mailto:wstevens@ncdoj.gov).

cc: Acting Budget Manager  
Matt Longobardi  
Kim D'Arruda  
Danielle Wilburn Allen  
Wendy Stevens / OMPS Settlement File



# Previous Day Composite Report

Standard Previous Day Composite Report  
As of 01/09/2025

Company: NC DEPARTMENT OF STATE TREASURER  
User: Janice Boyce

01/10/2025 08:10 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	76,575.00
Total Debits	76,575.00
Total Number Credits	2
Total Number Debits	1

### Summaries

Type of Credit	Number of Items	Amount
Total ACH Credits	1	1,575.00
Total Wire Transfer Credits	1	75,000.00
<b>Credit Totals</b>	<b>2</b>	<b>76,575.00</b>

Type of Debit	Number of Items	Amount
Total ZBA Debits	1	76,575.00
<b>Debit Totals</b>	<b>1</b>	<b>76,575.00</b>

### Credit Transactions

1/9/2025	169 / MISCELLANEOUS ACH CREDIT Cust Ref: 000000000000 Unique ID: 00000091005860014635 BANKCARD DEPOSIT 250109 419161279999 CJTS COMMISSION NCDOJ	Credit Amount: Bank Ref: IA000014200304	1,575.00
1/9/2025	195 / INCOMING MONEY TRANSFER Cust Ref: 000000000000 Unique ID: RG250109142146 WT FED#00944 MOUNTAIN AMERICA F /ORG=OMPS INC SRF# TRN#250109142146 RFB#	Credit Amount: Bank Ref: IA009934198899	75,000.00
	<b>Credit Total</b>	<b>Credit Amount</b>	<b>76,575.00</b>

### Debit Transactions

1/9/2025	575 / INDIVIDUAL ZBA DEBIT Cust Ref: 000000000000 ZERO BALANCE ACCOUNT TRANSFER TO 2062670003460	Debit Amount: Bank Ref: IA010900000005	76,575.00
	<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	2,358.92
<b>Credit Totals</b>	<b>1</b>	<b>2,358.92</b>
Type of Debit	Number of Items	Amount

## SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into by the State of North Carolina, acting through its Attorney General, Jeff Jackson (the “State”), and Oquirrh Mountain Phlebotomy School, LLC, (“OMPS”) and Dallas Myron Rasmussen (“Rasmussen”), personally and in his capacity as owner and operator of OMPS, (collectively referred to hereinafter as “Defendants”). The State and Defendants are collectively referred to hereinafter as the “Parties.” This Agreement shall become effective on the date the Parties execute this Agreement.

### WITNESSETH

1. **WHEREAS**, OMPS is a limited liability company organized under the laws of the State of Utah. OMPS is not currently doing business in the State of North Carolina and does not maintain a registered agent with the North Carolina Secretary of State’s Office. Rasmussen is OMPS’ sole member and is OMPS’ owner and operator.

2. **WHEREAS**, between the years 2014 and 2023, OMPS offered in-person lessons at a facility located in Wilmington, North Carolina, to individuals seeking to learn phlebotomy, and place IV catheters. On or about November 13, 2023, Defendants discontinued all operations within the State of North Carolina.

3. **WHEREAS**, the State asserts that it was informed by the North Carolina Community Colleges System, Office of Proprietary Schools (“OPS”) that by providing these lessons, OMPS was operating a proprietary school within the State of North Carolina without first obtaining a license from the State Board of Community Colleges (the “Board”) under N.C. Gen. Stat. § 115D-90 (“License”).

4. **WHEREAS**, the State asserts that OPS directed Defendants to obtain a License, but Defendants did not do so. The State asserts that Defendants were required to obtain a License but did not ultimately obtain a License from the Board.

5. **WHEREAS**, thereafter, the State brought an action against Defendants in Wake County Superior Court, file number 23CV032101-910 (the “Lawsuit”).

6. **WHEREAS**, the State alleged in its Complaint that OMPS and Rasmussen’s conduct violated N.C. Gen. Stat. § 115D-90 and, thus, constituted unfair and deceptive acts or practices under N.C. Gen. Stat. § 75-1.1, *et seq.*

7. **WHEREAS**, Defendants deny that they operated a proprietary school or that they were required to obtain a License. Defendants dispute the validity of the claims and allegations asserted by the State, including the underlying causes of action set forth in the Complaint.

8. **WHEREAS**, the State and Defendants have agreed upon a resolution of the Lawsuit in lieu of a possible trial.

9. **WHEREAS**, the State and Defendants wish to evidence such agreement by a written instrument, which is not to be construed as an admission of liability on the part of Defendants by whom liability is expressly denied.

10. **NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the State and Defendants agree as follows:

### **AGREEMENT**

11. Defendants, both individually and collectively, agree that they will not offer any courses, lessons, or instruction in the State of North Carolina related to phlebotomy, the placement of IV catheters, the administration of EKGs, or any other related discipline, now or in the future, unless Defendants first obtain a license under Chapters 115D or 116 of the North Carolina General Statutes.

12. Defendants, both individually and collectively, agree that they shall not cause or direct any entity in which they have a controlling interest to offer any courses, lessons, or instruction in the State of North Carolina related to phlebotomy, the placement of IV catheters, the administration of EKGs, or any other related discipline, now or in the future, unless such entity first obtains a license under Chapters 115D or 116 of the North Carolina General Statutes.

13. Defendants shall remit to the State the total sum of One Hundred Fifty Thousand Dollars (\$150,000.00) in full satisfaction of all claims that were brought, or could have been brought against Defendants through the Lawsuit, including, but not limited to all claims and potential claims which relate to the operation of a unlicensed educational institution or proprietary school and/or conduct that violated N.C. Gen. Stat. § 75-1.1, *et seq.* prior to the effective date of the Agreement. Defendants shall remit payment described in this paragraph as follows:

- a. Defendants shall remit one payment of Seventy-Five Thousand Dollars (\$75,000.00) to the State within three (3) business days after the effective date of the Agreement. Defendants shall remit payment described under this subparagraph to the State electronically according to instructions that will be provided to Defendants by the State.
- b. Defendants shall remit a second payment of Seventy-Five Thousand Dollars (\$75,000.00) to the State within six (6) months after the effective date of this Agreement. Defendants shall remit payment described under this subparagraph to the State electronically according to instructions that will be provided to Defendants by the State.

14. All payments described under Paragraph 13, including its subsections, may be expended by the State as authorized by the laws of the State of North Carolina.

15. In addition to the payment described under Paragraph 13, including its subsections, Defendants shall remit payment to the State within twelve (12) months after the effective date of this Agreement an amount equal to the total sum of money received by OMPS from each individual or entity for lessons, courses, or instruction provided by OMPS in the State of North Carolina between November 9, 2019, and the date the Lawsuit was filed. The Parties agree that payments made under this paragraph shall be governed and limited as follows:

- a. Within three (3) months after the effective date of this Agreement, Defendants shall determine the total payment due to the State by preparing a spreadsheet containing the names, most recent known contact information, payment information, class type(s), and amount paid for each class, for any individual or entity described under Paragraph 15. The information contained in the spreadsheet, as described in this subsection, shall be prepared to the best of Defendants' knowledge and ability and shall be provided to the State within three (3) months after the effective date of this Agreement.
- b. Defendants shall not be required to include as part of the payment described under Paragraph 15 and its subparts, any amount previously refunded by Defendants to individuals or entities described under Paragraph 15.
- c. If, within twelve (12) months after the effective date of the Agreement, Defendants determine that additional individuals or entities should have been included in the spreadsheet described under Paragraph 15(a), but were not, Defendants shall remit payment to the State within ten (10) business days after such determination is made an amount equal to the total amount paid to OMPS by the additional individuals or entities described under this subsection.
- d. Defendants shall remit payment described under Paragraph 15, including its subsections, to the State electronically according to instructions provided by the State to the Defendants.
- e. Defendants shall pay the State \$5.00 for each discrete individual or entity eligible for a refund under Paragraph 15. Defendants shall remit the payment set forth under this paragraph within twelve (12) months after the effective date of this Agreement.
- f. The State shall use the payments described under Paragraph 15, including its subsections, to reimburse the individuals and entities identified in the spreadsheet as described in Paragraphs 15(a) and (c), in an amount corresponding to the amount paid by the individual or entity to Defendants.

- g. The State shall remit any funds paid by Defendants under Paragraph 15, including its subsections, deemed “abandoned” as determined by the North Carolina Department of Justice, pursuant to N.C. Gen. Stat. § 116B-53(c), to the North Carolina Department of Treasury, Unclaimed Property Division.
- h. The Parties agree that Defendants are not entitled to reimbursement of any payment made to the State under Paragraph 15.

16. Within ten (10) days after the effective date of this Agreement, the State shall cause a Stipulation of Dismissal With Prejudice of all claims against all Defendants in the Lawsuit to be filed in Wake County Superior Court. Also, within ten (10) days after the effective date of this Agreement, the State shall cause this Agreement to be filed in Wake County Superior Court.

17. The Parties, for good and sufficient consideration, the receipt and sufficiency of which is acknowledged, for themselves, their heirs, successors, and assigns, if any, do hereby mutually agree that Defendants are released and forever discharged from any and all liability arising out of or in any way related to the allegations complained of in the Lawsuit, including any and all claims and demands, whether known or unknown, arising out of the events giving rise to or made through the Lawsuit. This release shall be binding upon the Parties, their heirs, successors, and assigns, and shall inure to the benefit of the Parties and their heirs, successors, assigns, affiliates, agents (past or present), and employees (past or present).

18. The Parties agree and represent that they understand that this Agreement is the compromise of disputed claims, and that the terms of this Agreement are not to be construed as an admission of liability on the part of Defendants by whom liability is expressly denied.

19. Each of the Parties hereto shall bear his, her, or its own attorney fees and costs related to, arising from, or incurred through the Lawsuit, except that the State may utilize the payments described under Paragraph 13 for such purposes as permitted by the laws of the State of North Carolina.

20. The Parties agree the Superior Court for Wake County, North Carolina, shall retain exclusive and continuing jurisdiction over the Parties and this Agreement with respect to the performance of its terms and conditions (and disputes arising out of or relating to this Agreement), the proper provision of all benefits, and the implementation and enforcement of its terms, conditions, and obligations.

21. This instrument contains the entire Agreement between the Parties hereto. Its terms are contractual and not a mere recital. This instrument may be amended only by a like signed instrument.

22. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the Parties need not sign the same counterpart. If any signature is delivered by email delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such “.pdf” signature page was an original thereof.

23. The Parties acknowledge that they have had an adequate opportunity to review every provision contained in this Agreement and to submit the same to legal counsel for review and comment, including the waivers and indemnities, as applicable, contained herein. Based on said review and consultation, the Parties agree to every term contained in this Agreement. Based on the foregoing, the Parties agree that the rule of construction, if any, that a contract be construed against the drafter shall not be applied in the interpretation and construction of this Agreement.

24. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties hereto have entered into this Agreement knowingly, voluntarily, and upon the advice and consent of counsel, and have set forth their signatures below.

**[SIGNATURES ON FOLLOWING PAGE]**

**OQUIRRH MOUNTAIN PHLEBOTOMY SCHOOL, LLC**

*Dallas Rasmussen*

By: Dallas Myron Rasmussen  
Its: Sole Member

01/09/2025 11:46 EST

Date

**DALLAS MYRON RASMUSSEN**

*Dallas Rasmussen*

In his Individual capacity

01/09/2025 11:46 EST

Date

**JEFF JACKSON**

North Carolina Attorney General

*Danielle Wilburn Allen*

By: Danielle Wilburn Allen  
Its: Assistant Attorney General  
Technology, Healthcare, and Antitrust Section  
Consumer Protection Division  
North Carolina Department of Justice

01/13/2025 09:11 EST

Date



## Envelope Data

Subject: State of North Carolina v. Oquirrh Mountain Phlebotomy School, et al. Settlement Agreement  
Documents: OMPS Draft Settlement Agreement 7JAN2025.docx  
Document Hash: 47853388  
Envelope ID: ENV97192700-4431-EDAD-5763-BFCD  
Sender: RaShawnda Williams  
Sent: 01/07/2025 15:01 PM EST  
Status: Completed  
Status Date: 01/13/2025 09:11 AM EST

Access Authentication: None  
Email Access Code: Unchecked  
Email Verification: Not enabled



## Recipients / Roles

Name / Role	Email	Type
RaShawnda Williams	rwilliams@cshlaw.com	Sender
Danielle Wilburn Allen	dwilburnallen@ncdoj.gov	Signer
Dallas Rasmussen	dallasrasmussen@gmail.com	Signer

## Document Events

Name / Roles	Email	IP Address	Date	Event
RaShawnda Williams	rwilliams@cshlaw.com	52.58.73.227	01/07/2025 15:01 PM EST	Created
Dallas Rasmussen	dallasrasmussen@gmail.com	24.11.24.125	01/09/2025 11:46 AM EST	Signed
Danielle Wilburn Allen	dwilburnallen@ncdoj.gov		01/10/2025 00:00 AM EST	Reminder
Danielle Wilburn Allen	dwilburnallen@ncdoj.gov		01/13/2025 00:00 AM EST	Reminder
Danielle Wilburn Allen	dwilburnallen@ncdoj.gov	70.244.47.253	01/13/2025 09:11 AM EST	Signed
			01/13/2025 09:11 AM EST	Status - Completed

## Signer Signatures

Signer Name / Roles	Signature	Initials
Dallas Rasmussen		
Danielle Wilburn Allen		



REC'D 24 JUL 16 AM 11:14  
NC DEPT OF JUSTICE FSS

**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  
**T-Mobile USA, Inc**

DATE: July 16, 2024

Pursuant to the May 9, 2024 settlement agreement with T-Mobile USA, Inc. its respective brands and subsidiaries ("T-Mobile") a wire in the amount of \$103,472.64 was deposited with Financial Services on July 15, 2024 into the following account as follows:

Agency	0900	Dept. of Justice
Budget Fund	202266	Consumer Prot. Restitutions
Natural Account	45500000	Fines, Penalties, Assess Fee

This agreement settles the multistate investigation into concerns that, in contravention of consumer protection and trade practice statutes and regulations pursuant to the same, T-Mobile advertised some of its wireless products and services in various media, including print, television, and online, without clearly and conspicuously disclosing all of the material terms and conditions of their offers and, in some cases, failing to disclose or misrepresenting the material terms and conditions of its offers.

As a result of the settlement, T-Mobile agreed to pay \$103,472.64 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 it's their business practices including, but not limited to:

- Making all advertisements or representations to consumers truthful, accurate, and non-misleading in accordance with the terms of the settlement agreement.
- Designating a dedicated representative to work directly with the attorneys general to address consumer complaints about advertising, marketing, and sales practices including:
  - offering consumers wireless devices for free or at a reduced rate or no extra cost,
  - offering to pay consumers' costs or fees if they switch carriers,
  - offering wireless products or services at a reduced rate, whether in comparison to their own goods or services or those of third parties,
  - offering to lease wireless devices, and
  - offering unlimited data on wireless devices.
- Training its customer service representatives who speak with consumers about promotions, offers, or advertisements regarding the practices identified in the settlement agreements to comply with the provisions of the agreement and implementing and enforcing a program designed to ensure compliance, as well as training staff who are responsible for the creation of advertising related to the terms in the settlement agreement.

A copy of the settlement agreement and deposit details are attached. If you have any questions, please contact Wendy Stevens at (919) 716-6877.

cc: Tracy Nayer  
Kim D'Arruda  
FSS Budget Officer  
Wendy Stevens/T-Mobile 2024 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**  
T-Mobile 2024

DATE: July 15, 2024

Attached is the wire confirmation regarding a \$103,472.64 payment from T-Mobile in response to the settlement agreement signed between the State and the companies signed May 9, 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

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

cc: Tracy Nayer  
FSS Budget Manager  
T-Mobile 2024 Settlement File



# Previous Day Composite Report

Standard Previous Day Composite Report  
As of 07/12/2024

Company: NC DEPARTMENT OF STATE TREASURER  
User: Janice Boyce  
Commercial Electronic Office®

07/15/2024 08:21 AM ET

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
<b>Total Credits</b>	<b>2,104,302.64</b>
<b>Total Debits</b>	<b>2,104,302.64</b>
<b>Total Number Credits</b>	<b>3</b>
<b>Total Number Debits</b>	<b>1</b>

*Dep A*  
*28*  
*BLD*  
*7-12-2024*

### Summaries

Type of Credit	Number of Items	Amount
Total ACH Credits	1	830.00
Total Wire Transfer Credits	2	2,103,472.64
<b>Credit Totals</b>	<b>3</b>	<b>2,104,302.64</b>
Type of Debit	Number of Items	Amount
Total ZBA Debits	1	2,104,302.64
<b>Debit Totals</b>	<b>1</b>	<b>2,104,302.64</b>

### Credit Transactions

7/12/2024	168 / MISCELLANEOUS ACH CREDIT Cust Ref: 00000000000 Unique ID: 0000000000004455581422 BANKCARD DEPOSIT 240712 419161279999 CJTS COMMISSION NCDOJ	Credit Amount: Bank Ref: IA000018447829	830.00
7/12/2024	195 / INCOMING MONEY TRANSFER Cust Ref: 00000000000 Unique ID: RG240712053486 WT FED#02311 JPMORGAN CHASE BAN /ORG=MURPHY-BROWN LLC SRF# 2599100194JO TRN#240712053486 REB# CAP OF 24/07/12	Credit Amount: Bank Ref: IA009977598785	2,000,000.00
7/12/2024	195 / INCOMING MONEY TRANSFER Cust Ref: 00000000000 Unique ID: RG240712074558 WT FED#01324 US BANK, NA /ORG=T-MOBILE USA, INC. ATTN: CASH SRF# 240712B00NXQ TRN#240712074558 RFB# 240712B00NXQ	Credit Amount: Bank Ref: IA009977646835	103,472.64
	<b>INCOMING MONEY TRANSFER Total</b>	<b>Credit Amount</b>	<b>2,103,472.64</b>
	<b>Credit Total</b>	<b>Credit Amount</b>	<b>2,104,302.64</b>

### Debit Transactions

7/12/2024	575 / INDIVIDUAL ZBA DEBIT Cust Ref: 00000000000 ZERO BALANCE ACCOUNT TRANSFER TO 2062670003460	Debit Amount: Bank Ref: IA071200000036	2,104,302.64
	<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.

Data Access Set: NC CASH - AGENCY 0900

Edit Journal

Save Cancel

Projected Balances

Last Saved 7/15/24 1:22 PM

PTD Total

No lines selected.

Journal Batch: 0900 DEP 07/15/24 ACH CREDIT CCH FEES RLEO,SC DIRECTOR'S CON

Journal Batch   
 Description   
 Balance Type Actual  
 \* Accounting Period   
 Attachments None

Source Manual  
 Approval Status Required  
 Funds Status Not attempted  
 Batch Status Unposted  
 Completion Status Complete

Journal | Show More  | | Journal Actions

Journal   
 Description   
 \* Ledger NC CASH US  
 \* Accounting Date   
 \* Category

Currency   
 Conversion Date 7/12/24  
 Conversion Rate Type User  
 Conversion Rate 1  
 Inverse Conversion Rate 1

Journal Lines

Actions View Format

Line	* Account	Entered (USD)		Description
		Debit	Credit	
1	0900-101205-11120000-0000000-0000000-0000-000	830.00		ACH CREDIT
Type DEP - CASH & CHECK DEP - CASH & CHECK 0000000300386 Regional Information				
8	0900-202254-42400035-0000000-0000-000		2,000,000.00	SMITHFIELD
7	0900-202254-11120000-0000000-0000000-0000-000	2,000,000.00		ACH CREDIT
Type DEP - CASH & CHECK DEP - CASH & CHECK 0000000300386 Regional Information				
6	0900-202266-45500000-0000000-0000000-0000-000		103,472.64	TRANSFER
5	0900-202266-11120000-0000000-0000000-0000-000	103,472.64		ACH CREDIT
Type DEP - CASH & CHECK DEP - CASH & CHECK 0000000300386				

**Regional Information**

4	0900-101205-45600000-0901520-0000000-0000-00	260.00	SCHOOL C
3	0900-101205-45300000-0901520-0000000-0000-00	120.00	WRLEO TI
<b>Total</b>		<b>2,104,302.64</b>	<b>2,104,302.64</b>

Columns Hidden 11

## SETTLEMENT AGREEMENT

1. This Settlement Agreement (“Agreement”) is entered into by the Attorneys General (collectively, “Attorneys General”)<sup>1</sup> of the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin (collectively, the “Participating States”); and T-Mobile USA, Inc. its respective brands, its subsidiaries, and its successors and assigns (collectively, the “Undersigned Wireless Companies” and individually an “Undersigned Wireless Company”).

## BACKGROUND

2. This Agreement follows an investigation by the Attorneys General and communications between the Attorneys General and the Undersigned Wireless Companies and TracFone Wireless, Inc., Cellco Partnership, d/b/a Verizon Wireless, and AT&T Mobility, LLC, Cricket Wireless, LLC (collectively the “Wireless Companies” and individually a “Wireless Company”). The investigation related to the advertising, marketing, and sales practices of the Wireless Companies and considered whether these advertising, marketing, and sales practices comply with the consumer protection and trade practice statutes and regulations, including the statutes listed in footnote two below<sup>2</sup> and/or the regulations promulgated pursuant to the same (collectively,

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<sup>1</sup> For ease of reference, this entire group will be referred to collectively herein as the “Attorneys General” or individually as “Attorney General.” Such designations, however, as they pertain to Connecticut, shall refer to the Attorney General, both acting on his own behalf and as authorized by the Commissioner of the Department of Consumer Protection. Such designations, as they pertain to Hawaii, shall refer to the Executive Director of the State of Hawaii Office of Consumer Protection. Such designations, as they pertain to Maryland, shall refer to the Consumer Protection Division of the Office of the Attorney General of Maryland, which has authority to enter into this Agreement pursuant to Md. Code Ann., Com. Law § 13-402. Such designations, as they pertain to Utah, shall refer to the Division of Consumer Protection of the Utah Department of Commerce.

<sup>2</sup> See generally, N.Y. EXEC. LAW § 63(12); N.Y. GEN. BUS. LAW §§ 349-50; TENN. CODE ANN. §§ 47-18- 104; ILLINOIS CONSUMER FRAUD AND DECEPTIVE BUSINESS PRACTICES ACT, 815 ILCS 505/1, *et seq.*; N.C.G.S. § 75-1.1; N.J.S.A. 56:8-2; P.A. UNFAIR TRADE PRACTICES AND CONSUMER PROTECTION LAW, 73 P.S. §§ 201-1 – 201-9.2; TEX. BUS. & COM. CODE ANN. §§ 17.41 through 17.63; RCW 19.86.020; ALASKA STAT. § 45.50.471; ALA. CODE § 8-19-1 *et seq.*; ARKANSAS CODE ANNOTATED § 4-88-107(A); ARIZ. REV. STAT. §§ 44-1521 TO 1534; CAL. BUS. & PROF. CODE § 17200 *et seq.*, § 17500 *et seq.*; C.R.S. § 6-1-101 *et seq.*; C.R.S. § 6-1-105(1); CONN. GEN. STAT. § 42-110b (a); D.C. CODE 28-3904; 6 DEL. C. § 2513; O.C.G.A. § 10-1-390 *et seq.*; HAW. REV. STAT. CHPTS. 480 AND 481A; IOWA CODE § 714.16; 61 IOWA ADMIN CODE 38.1; IDAHO CONSUMER PROTECTION ACT, TITLE 48, CHAPTER 6, IDAHO CODE; IND. CODE § 24-5-0.5-0.1, *et seq.*; K.S.A. § 50-623 *et seq.*; KENTUCKY REVISED STATUTES 367.170; UNFAIR TRADE PRACTICES AND CONSUMER PROTECTION LAW, LA. R.S. §§ 51:1401 *et seq.*; M.G.L. C. 93A, SECS 2 & 4.; MD. CODE ANN., COM. LAW §§ 13-101 through 13-501; 5 M.R.S.A. § 205-A *ET SEQ.*; MICH. COMP. LAWS § 445.903; MICH. COMP. LAWS § 445.901 *et seq.*; MINN. STAT. §§ 325D.44, 325F.67, and 325F.69; §407.020 RSMO; MISSISSIPPI CONSUMER PROTECTION ACT, MS CODE ANN. §75-24-1 *et seq.*; MONT. CODE ANN. § 30-14-103; NEB. REV. STAT. §§ 59- 1601 to 59-1622 AND NEB. REV. STAT. §§ 87-301 to 87-306.; N.H. REV. STAT. ANN. § 358-A:1-7; NEW MEXICO UNFAIR PRACTICES ACT NMSA1978, §57-12-1 *et seq.* (1967); NRS 598.0903 *et seq.*; OHIO CONSUMER SALES PRACTICES ACT (“CSPA”), OHIO REVISED CODE 1345.01 *et seq.*, AND ITS SUBSTANTIVE RULES, 109-4-3-01, *et seq.* ; OKLAHOMA CONSUMER PROTECTION ACT, 15 O.S. §§ 751 *et seq.*; OREGON’S UNLAWFUL TRADE PRACTICES ACT, ORS 646.605 TO 646.652; ORS 646.608(1)(b), (c), (e), and (s); R.I. GEN. LAWS § 6–13.1–1 *et seq.*; SOUTH CAROLINA CODE § 39-5-10 *et seq.*; SDCL CHAPTER 37-24; UTAH CODE § 13-11-4; VA. CODE ANN. §§ 59.1-196 to

“Consumer Statutes”). The advertising, marketing, and sales practices include, the following: (i) offering consumers wireless devices for free or at a reduced rate or no extra cost, (ii) offering to pay consumers’ costs or fees if they switch carriers, (iii) offering wireless products or services at a reduced rate, whether in comparison to their own goods or services or those of third parties, (iv) offering to lease wireless devices, and (v) offering unlimited data on wireless devices (collectively, the “Covered Activities”). Simultaneous with the execution of this Agreement, the Participating States are entering into an Assurance of Voluntary Compliance and/or Settlement Agreement with each of the other Wireless Companies on the same terms of this Agreement with the exception of the amount of the payment required pursuant to Paragraph 30.

3. The Attorneys General allege that the Wireless Companies have advertised some of their wireless products and services in various media, including print, television, and online, without clearly and conspicuously disclosing all of the material terms and conditions of their offers and, in some cases, failing to disclose or misrepresenting the material terms and conditions of their offers.

4. The Wireless Companies deny they have engaged in any unlawful or otherwise inappropriate business practices. The Wireless Companies contend that their advertisements have always been truthful, accurate and non-misleading and provided clear and conspicuous disclosures regarding offers related to free or discounted products and services, offers to pay costs and fees to switch services, leasing wireless devices and unlimited data claims. However, the Wireless Companies have agreed to this Agreement with the Participating States so that this matter may be resolved amicably.

#### **A. APPLICATION**

5. The provisions of this Agreement shall apply to each Undersigned Wireless Company and their merged or acquired entities, with respect to the Covered Activities.

#### **B. DEFINITIONS**

For purposes of this Agreement, the following definitions shall apply:

6. **“Clearly and Conspicuously”** means that a disclosure is made in such size, color, contrast, location, duration, and/or audibility that it is readily noticeable, readable, understandable, and capable of being heard. A disclosure may not contradict or be inconsistent with any other information with which it is presented. If a disclosure modifies, explains or clarifies other information with which it is presented, then the disclosure must be presented in proximity to the information it modifies, explains, or clarifies, in a manner that is readily noticeable, readable, and understandable, and not obscured in any manner. In addition:

a. An audio disclosure must be delivered in a volume and cadence sufficient for a consumer to hear and comprehend it.

b. A text message, television, or internet disclosure must be of a type size, location, and shade and remain on the screen for a duration sufficient for a consumer to read and comprehend it based on the medium being used; and

c. Disclosures in a print advertisement or promotional material, including, but without limitation, a point of sale display or brochure materials directed to consumers, must appear in a type-size, contrast, and location sufficient for a consumer to read and comprehend them.

7. **“Effective Date”** means May 9, 2024, the date which this Agreement shall be effective, but only so long as it has been signed by an authorized representative of each Undersigned Wireless Company and by authorized representatives of every Participating State, unless such condition expressly has been waived in whole or in part by the Undersigned Wireless Companies.

8. **“Lease”** means a consumer lease as defined in the Consumer Leasing Act.

9. **“Space Constrained Advertising”** means any communication (including, but not limited to, Internet search results and banner ads) that has space, format, size, duration, or technological restrictions (“Space Constraint”) that the Undersigned Wireless Company cannot modify, that limit the Undersigned Wireless Company from being able to make the disclosures required by this Agreement.

10. **“Material Restriction”** means a reduction on the quantity or speed of data that is likely to affect a consumer’s purchase or use of the advertised product or service.

11. **“Mobile Data Plan”** means a plan with a Wireless Carrier for the provision of internet access service to mobile devices such as smartphones.

12. **“Unlimited Mobile Data Plan”** means a Mobile Data Plan that does not set forth a numerical limit on the quantity of data allowed in a billing cycle when the customer subscribed to or renewed the plan.

13. **“Capped Mobile Data Plan”** means a Mobile Data Plan that sets forth a numerical limit on the quantity of data allowed in a billing cycle when the customer subscribed to or renewed the plan.

### **C. ADVERTISING DISCLOSURES**

14. The Undersigned Wireless Companies shall make all advertisements or representations to consumers truthful, accurate and non-misleading. In this regard, the Undersigned Wireless Companies:

a. Shall not use any statements or illustrations in any advertisements or representations to consumers related to Covered Activities that misrepresent or create a false impression of any material facts regarding the nature, quality, and/or characteristics of their own or any competitor’s wireless devices or services;

b. Shall Clearly and Conspicuously disclose and in a manner that is appropriate to the nature of the advertising content and type, all material terms and conditions of an offer to sell or lease any wireless devices or services in connection with Covered Activities. In Space Constrained Advertising, the Undersigned Wireless Companies may abbreviate such disclosures within the Space Constrained Advertisement and include a Clear and Conspicuous, easily accessible, and meaningfully labeled way to access full disclosure of the material terms of the offer, such as a phone number, website, click-through link for Internet advertising, or other method consistent with the relevant medium. For purposes of this subparagraph, “meaningfully labeled” means labeled to convey the importance, nature, and relevance of the information to which it leads as consistent with the relevant medium.

#### **D. USE OF THE TERM UNLIMITED**

15. The Undersigned Wireless Companies shall not expressly or by implication make any representation about the speed of the mobile data offered in an Unlimited Mobile Data Plan, without disclosing, Clearly and Conspicuously, and in close proximity to the representation, all Material Restrictions imposed by the Wireless Company. For purposes of this paragraph and its subsections, “close proximity” means on the same print page, webpage, online service page, or other electronic page, and proximate to the triggering representation, and not accessed or displayed through hyperlinks, pop-ups, interstitials, or other means that can be avoided by consumers.

a. For purposes of this paragraph, and with respect to representations regarding Unlimited Mobile Data Plans:

- i. For a general representation that mobile data is unlimited without advertising a specific data plan, the Wireless Company must disclose Clearly and Conspicuously and in close proximity to the triggering representation that restrictions on the speed of mobile data, to the extent applicable, may apply.
- ii. For a representation that a specific mobile data plan is unlimited the Wireless Company must disclose Clearly and Conspicuously and in close proximity to the triggering representation the specific type of restriction and the amount of data usage, if any, triggering the restriction.

The requirements of Paragraph 15(a) shall not apply to the use of the term “unlimited” in a generic manner that is not related to the amount or speed of data in an Unlimited Mobile Data Plan.

b. A Space-Constrained Advertisement may comply with this paragraph by disclosing, Clearly and Conspicuously and in close proximity to at least one prominent representation of the triggering term in the advertisement, the type of restriction and the amount of data usage or other factor, if any, triggering the restriction. The undersigned Wireless Company bears the burden of showing that there is a Space Constraint to making a required disclosure that is Clear and Conspicuous and in Close Proximity to the triggering term.

c. For purposes of this Agreement, practices that are necessary to manage the network or to prevent degradation of the network for other users are not considered a Material Restriction, provided that such practices are Clearly and Conspicuously disclosed before the consumer purchases services. Further, if an Undersigned Wireless Company makes changes to such practices that will result in Material Restrictions for existing “unlimited” customers, notice of such changes must be Clearly and Conspicuously provided to such existing customers.

16. The Undersigned Wireless Companies shall not represent, expressly or by implication, that the mobile data in a Capped Mobile Data Plan is unlimited.

#### **E. NETWORK MANAGEMENT PRACTICES**

17. In addition to complying with the terms of this Agreement, the Undersigned Wireless Companies shall also comply with the Federal Communication Commission’s Transparency Rule 8.1, as such rule may be amended from time to time.

#### **F. SWITCHER OFFERS**

18. Advertisements containing offers by an Undersigned Wireless Company to “pay” for costs incurred by a consumer to switch carriers, such as early termination fees and/or other associated costs, shall Clearly and Conspicuously disclose the material terms of the offer, including:

a. The nature or types of fees and/or other amounts that an Undersigned Wireless Company will pay, credit or reimburse the consumer, and whether the Undersigned Wireless Company will pay the amounts directly to the consumer or to a third party.

b. The form that such payment, credit or reimbursement will take if cash or check is not provided.

c. All material requirements that the consumer must satisfy in order to qualify for the offer and receive the payments, credits or reimbursements.

d. The approximate schedule or time frame in which the consumer will be paid after switching to the carrier, if in excess of 30 days from the date the customer has met all requirements necessary to qualify for payment, credit or reimbursement.

The Undersigned Wireless Companies shall, in connection with any offer described in paragraph 18 above, use reasonable efforts to ensure that consumers receive payment, credit or reimbursement of any costs that the Undersigned Wireless Company has offered to pay no later than sixty (60) days after the consumer has met all requirements to receive the payment, credit or reimbursement.

#### **G. FREE AND SIMILAR OFFERS**

19. In any advertisements that offer wireless devices or services for “free,” or that use similar terms that reasonably can be construed as offering devices or services for “free,” the Undersigned

Wireless Companies shall Clearly and Conspicuously disclose all material terms and conditions that the consumer must meet in order to receive the “free” devices or services offered.

20. Where receipt of the devices or services advertised as “free” requires that the consumer purchase or lease another device or service, or pay other fees, such as activation or shipping and processing, in order to receive the “free” devices or services, the Undersigned Wireless Companies shall Clearly and Conspicuously disclose these requirements in the advertisement. Further, where receipt of a “free” device or service is contingent on the purchase or lease of another device or service, the Undersigned Wireless Company shall not increase the cost to purchase or lease the other device or service for the purpose of recouping all or part of the cost of the “free” device or service.

#### **H. PHONE LEASES**

21. Advertisements containing offers for a lease of a wireless device shall make clear that the consumer will be entering into a lease agreement and shall not represent that the consumer is purchasing a device.

22. The Undersigned Wireless Companies shall comply with Regulation M, 12 CFR Part 213, as such rule may be amended from time to time.

#### **I. PRICE AND SAVINGS CLAIMS**

23. Any savings claims made by an Undersigned Wireless Company in its advertising, whether the savings are based on a comparison to such Undersigned Wireless Company’s own goods or services or those involving third parties, shall be truthful, accurate, and non-misleading.

24. The Undersigned Wireless Companies shall have a reasonable basis for all savings claims made in their advertising, whether the savings are based on a comparison to an Undersigned Wireless Company’s own goods or services or those involving third parties.

25. If an Undersigned Wireless Company makes a comparative pricing or savings claim, the claim shall either be based on a comparison of comparable goods or services, or any material differences between the goods or services being compared shall be Clearly and Conspicuously disclosed.

26. Advertisements containing representations of a specific price, discount or savings that will not be provided to the consumer at the time of purchase or that require the consumer to take additional action beyond completing the purchase of the goods or services shall Clearly and Conspicuously disclose the material conditions or requirements that the consumer must satisfy in order to receive the advertised price, discount or savings, including but not limited to:

a. If the price, discount or savings is based on a rebate that will be received after the purchase has been completed, the advertisement shall disclose the rebate requirement in close proximity to the advertised price, discount or savings claim.

b. If the price, discount or savings is based on credits that will be issued after the purchase has been completed, the advertisement shall Clearly and Conspicuously disclose the approximate timetable for the issuance of those credits.

c. Whether the consumer must take other material action, such as trading in a device, sign a contract and/or commitment or enrolling in an automatic payment plan, in order to receive the advertised price, discount or savings.

#### **J. WIRELESS COMPANY APPOINTED COMPLAINT REPRESENTATIVE**

27. In order to facilitate the efficient resolution of ordinary customer complaints received by an Attorney General each Undersigned Wireless Company will designate a representative to work directly with any of the Participating States to address such complaints related to the Covered Activities of this Agreement and provide that representative's contact information to all Participating States. In the event that there is a change to the designated representative for a Undersigned Wireless Company, such Undersigned Wireless Company shall use its best efforts to provide the new representative's contact information to the Participating States within 20 business days of such change. An Undersigned Wireless Company shall respond, within a reasonable time, to all customer complaints received by the Wireless Company directly from a Participating State, with respect to the matters set forth in this Agreement.

#### **K. TRAINING**

28. An Undersigned Wireless Company shall train its customer service representatives who speak with consumers about promotions, offers, or advertisements regarding the Covered Activities to comply with the provisions herein and must implement and enforce a program designed to ensure compliance.

29. Each of the Undersigned Wireless Companies will be responsible for training their staff who are responsible for the creation of advertising related to the subject matter covered by the terms of this Agreement.

#### **L. PAYMENT TO THE PARTICIPATING STATES**

30. The Undersigned Wireless Companies shall pay to the Attorneys General a total of \$4,089,654.00 as divided per instructions from the Attorneys General, and paid directly to each signatory Attorney General. For purposes of this Agreement, the Undersigned Wireless Companies shall pay \$103,472.64 to the North Carolina Attorney General. Said payment shall be used by the Attorneys General for such lawful purposes that may include 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 this Agreement, or consumer restitution, at the sole discretion of each signatory Attorney General. Within thirty (30) days of the Effective Date, the Attorneys General shall provide each Undersigned Wireless Company with written payment instructions identifying for each Attorney General the official payee, the particular payment amount and any other information necessary to effectuate payment of the amounts due and owing under this Section. Within sixty (60) days of receiving an Attorney

General's written payment instructions, each Undersigned Wireless Company shall tender payment of the amounts due and owing under this paragraph and in accordance with the written payment instructions provided by the respective Attorney General. In no event shall any portion of this payment be characterized as a fine, civil penalty or forfeiture by any Wireless Company to any Participating State.

#### **M. RELEASE**

31. The Attorneys General acknowledge that upon receipt of full payment under Paragraph 30, this Agreement constitutes a complete settlement and release by the Participating States of all civil claims, civil causes of action, damages, fines, costs, and penalties that were asserted or could have been asserted by the Attorneys General, either individually or collectively, on or prior to the Effective Date of this Agreement against the Undersigned Wireless Companies based on the Covered Activities, as well as any advertisements or representations that: (i) a consumer may purchase services with no finance charges and/or no down payments (including advertising involving claims that services may be purchased with "0% down," "0% interest," or "0% APR"); and (ii) a consumer does not need to sign a contract in order to obtain a service (including advertising involving "uncontract" plans or services with "no contract," "no annual contract," or "no annual service contact"), pursuant to the Consumer Statutes set forth in footnote two of this Agreement and the regulations promulgated pursuant to such Consumer Statutes.

32. Notwithstanding any term of this Agreement, specifically reserved and excluded from the release in Paragraph 31 as to any entity or person, including each Undersigned Wireless Company, are any and all of the following:

- a. Any criminal liability that any person or entity, including Wireless Company, has or may have to the State of North Carolina;
- b. State or federal antitrust violations;
- c. State or federal securities violations;
- d. State or federal tax claims; and
- e. Any civil or administrative liability that any person and/or entity, including the Undersigned Wireless Company, has or may have to the State of North Carolina not covered by the release in Paragraph 31.

#### **N. GENERAL PROVISIONS**

33. The Undersigned Wireless Companies shall not individually or collectively participate, directly or indirectly, in any activity or form a separate entity or corporation for the purpose of engaging in acts or practices in whole or in part in the Participating States that are prohibited by this Agreement or for any other purpose that would otherwise circumvent any term of this Agreement. No Undersigned Wireless Company shall cause, knowingly permit, or encourage any other person or entity acting on its behalf to engage in practices from which it is prohibited by this Agreement.

34. 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 heretofore made or any potential claims; (b) an admission by the Undersigned Wireless Company that it has violated or breached any law, statute, regulation, term, provision, covenant or obligation of any agreement; or (c) an acknowledgement or admission by any of the parties of any duty, obligation, fault or liability whatsoever to any other party or to any third party. This Agreement does not constitute a finding of law or fact, or any evidence supporting any such finding, by any court or agency that the Undersigned Wireless Company has engaged in any act or practice declared unlawful by any laws, rules, or regulations of any state. The Undersigned Wireless Company denies any liability or violation of law and enters into this Agreement without any admission of liability. It is the intent of the parties that this Agreement shall not be used as evidence or precedent in any action or proceeding, except an action to enforce this Agreement.

35. All terms and conditions of this Agreement shall continue in full force and effect on any successor, assignee or transferee of an Undersigned Wireless Company. No party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without prior written consent of the Participating States.

36. If an Attorney General determines that an Undersigned Wireless Company made any material misrepresentation or omission relevant to the resolution of this investigation, the Attorney General retains the right to seek modification of this Agreement with respect to such Wireless Company.

37. This Agreement is made without trial or adjudication of any issue of fact or law or finding of liability of any kind. Nothing in this Agreement, including this Paragraph, shall be construed to limit or to restrict any Undersigned Wireless Company's right to use this Agreement to assert and maintain the defenses of res judicata, collateral estoppel, payment, compromise and settlement, accord and satisfaction, or any other legal or equitable defense in any pending or future legal or administrative action or proceeding.

38. It is the intent of the parties that to the extent that any changes in an Undersigned Wireless Company's business, advertising materials, and/or advertising practices are made to achieve or facilitate conformance to the terms of this Agreement, such changes shall not constitute any form of evidence or an admission by such Undersigned Wireless Company, explicit or implicit, of wrongdoing or failure to comply with any state, federal or local law, regulation or ordinance, or the common law.

39. Nothing in this Agreement shall be construed to create, waive, or limit any private right of action.

40. This Agreement shall be governed by the laws of the Participating States and is subject to court approval in those Participating States whose procedures require court approval. By entering into this Agreement, the Undersigned Wireless Companies and the Attorneys General agree to all such court approvals, provided that there are no modifications to the terms of this Agreement without the express written consent of each Undersigned Wireless Company and the Attorneys General. This Agreement does not constitute an admission by any Undersigned Wireless

Company of any Participating State's jurisdiction over it other than with respect to this Agreement, and does not alter any Participating State's jurisdiction over it.

41. With respect to advertising or marketing which has been submitted for broadcast or publication or used prior to the Effective Date of this Agreement, the Undersigned Wireless Companies shall not be liable under this Agreement for their non-compliance with the terms and conditions of this Agreement, to the extent that the Undersigned Wireless Companies take reasonable steps to recall such advertising or marketing if possible. Notwithstanding this paragraph, Undersigned Wireless Companies shall fully comply with the terms of this Agreement beginning 60 days following the Effective Date.

42. This Agreement contains the entire agreement between the Undersigned Wireless Companies and the Attorneys General. Except as otherwise provided herein, this Agreement shall be modified as to any Participating State and/or Undersigned Wireless Company only by a written instrument signed by or on behalf of the Attorney General of that Participating State and signed by or on behalf of the Undersigned Wireless Company. The Undersigned Wireless Companies understand that in some Participating States court approval of any modification will be necessary. The Undersigned Wireless Companies and the Attorneys General for such Participating States agree to use their best efforts to obtain such court approval.

43. Neither an Undersigned Wireless Company nor anyone acting on its behalf shall state or imply or cause to be stated or implied that a Participating State, an Attorney General, or any governmental unit of a Participating State has approved, sanctioned, or authorized any practice, act, advertising material, or conduct of the Undersigned Wireless Company.

44. Nothing in this Agreement shall relieve an Undersigned Wireless Company of other obligations imposed by any applicable state or federal law or regulation or other applicable law, nor shall any of the provisions of this Agreement be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, and rules.

45. Any failure by a Participating State to insist upon the strict performance by an Undersigned Wireless Company of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the Participating State, notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Agreement to be performed by the Undersigned Wireless Company.

46. Nothing in this Agreement shall be construed as a waiver of or limitation on any Undersigned Wireless Company's right to defend itself from or to make agreements in any private individual or class action, state, or federal claim, suit or proceeding relating to the existence, subject matter or terms of this Agreement.

47. Neither this Agreement nor anything herein shall be construed or used as a waiver, limitation or bar on any defense otherwise available to the Undersigned Wireless Companies, or on any Undersigned Wireless Companies' right to defend itself from or make arguments in any pending or future legal or administrative action, proceeding, local or federal claim or suit, including without limitation, private individual or class action claims or suits, relating to any

Wireless Companies' conduct prior to the execution of this Agreement, or to the existence, subject matter, or terms of this Agreement.

48. The titles and headers to each section of this Agreement are for convenience purposes only and are not intended by any Undersigned Wireless Company or the Attorneys General to lend meaning to the actual terms of this Agreement.

49. This Agreement shall not be construed against the "drafter" because both the Undersigned Wireless Companies and the Attorneys General participated in the drafting of this Agreement.

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

51. The Participating States represent that they will seek enforcement of the provisions of this Agreement with due regard for fairness.

52. If the Attorney General of a Participating State determines that an Undersigned Wireless Company has failed to comply with any of the terms of this Agreement, and if in the Attorney General's sole discretion the failure to comply does not threaten the health, safety, or welfare of the citizens of the Participating State, the Attorney General will notify the Undersigned Wireless Company in writing of such failure to comply and such Wireless Company shall then have fifteen (15) business days from receipt of such written notice to provide a good faith written response to the Attorney General's determination. The response shall include an affidavit containing, at a minimum, either:

a. A statement explaining why such Wireless Company believes it is in full compliance with the Agreement; or

b. A detailed explanation of how the alleged violation(s) occurred; and

(i) A statement that the alleged violation has been addressed and how;  
or

(ii) A statement that the alleged violation cannot be reasonably addressed within fifteen (15) business days from receipt of the notice, but (1) the Undersigned Wireless Company has begun to take corrective action to cure the alleged violation; (2) the Undersigned Wireless Company is pursuing such corrective action with reasonable due diligence; and (3) the Undersigned Wireless Company has provided the Attorney General with a detailed and reasonable time table for curing the alleged violation.

c. Nothing herein shall prevent the Attorney General from agreeing in writing to provide an Undersigned Wireless Company with additional time beyond the fifteen (15) business day period to respond to the notice.

Further, upon request, the Participating State shall agree to meet and confer, at a time and location, and manner (including teleconference) acceptable to the Participating State, with the Undersigned Wireless Company regarding the nature of the alleged violation of this Agreement.

53. In the event that any statute or regulation pertaining to the subject matter of this Agreement is modified, enacted, promulgated or interpreted by the Federal government or any Federal agency, such as the FCC, and a court of competent jurisdiction holds that such statute or regulation is in conflict with any provision of this Agreement, and such that an Undersigned Wireless Company cannot comply with both the statute or regulation and the provision of this Agreement, the Undersigned Wireless Companies may comply with such statute or regulation, and such action shall constitute compliance with the counterpart provision of this Agreement. The Undersigned Wireless Company shall provide advance written notice to the Participating States of the statute or regulation with which the Undersigned Wireless Company intends to comply under this paragraph, and of the counterpart provision of this Agreement that is in conflict with the statute or regulation, and shall include a copy of or citation to the court's holding. While the Participating States shall give such notice good faith consideration, in the event the Participating States disagree with the Undersigned Wireless Company's interpretation of the conflict, the Participating States reserve the right to pursue any remedy or sanction that may be available regarding compliance with this Agreement.

54. In the event that any statute or regulation pertaining to the subject matter of this Agreement is modified, enacted, promulgated or interpreted by a Participating State such that the statute or regulation is in conflict with any provision of this Agreement and such that an Undersigned Wireless Company cannot comply with both the statute or regulation and the provision of this Agreement, the Undersigned Wireless Company may comply with such statute or regulation in the respective Participating State, and such action shall constitute compliance with the counterpart provision of this Agreement. The Undersigned Wireless Company shall provide advance written notice to the Attorney General of the respective Participating State of the statute or regulation with which the Undersigned Wireless Company intends to comply under this paragraph, and of the counterpart provision of this Agreement that is in conflict with the statute or regulation. While the Participating States shall give such notice good faith consideration, in the event the Participating States disagree with the Wireless Company's interpretation of the conflict, the Participating States reserve the right to pursue any remedy or sanction that may be available regarding compliance with this Agreement.

55. To seek a modification of this Agreement for any reason other than that provided for in paragraphs 53-54 of this Agreement which would make the Agreement difficult to comply with or obsolete, the Wireless Company(s) shall send a written request for modification to the Participating States. The Participating States shall give such petition good faith consideration.

56. Paragraphs 15-16 (use of the term unlimited), 18 (switcher offers), 27 (Wireless Company appointed complaint representative), and 28 and 29 (training) of this Agreement will expire on the 5th anniversary of the Effective Date.

57. This Agreement may be executed in counterparts, and a .pdf signature shall be deemed to be, and shall have the same force and effect, as an original signature.

**FOR THE STATE OF NORTH CAROLINA  
JOSHUA H. STEIN  
Attorney General**

By:



\_\_\_\_\_  
TRACY NAYER

Special Deputy Attorney General

[tnayer@ncdoj.gov](mailto:tnayer@ncdoj.gov)

North Carolina Department of Justice

Consumer Protection Division

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Counsel for the State of North Carolina

**FOR T-MOBILE USA, INC.**

By:



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VP, Legal Affairs

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**Stevens, Wendy**

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**From:** Ahmed, Nazneen  
**Sent:** Thursday, May 9, 2024 3:31 PM  
**Subject:** RELEASE: Attorney General Josh Stein Reaches \$10.25 Million Settlement with AT&T, Verizon, T-Mobile, and Other Wireless Providers Over Deceptive Advertising



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

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For Immediate Release:  
Thursday, May 9, 2024

Contact: Nazneen Ahmed  
919-716-0060

## **Attorney General Josh Stein Reaches \$10.25 Million Settlement with AT&T, Verizon, T-Mobile, and Other Wireless Providers Over Deceptive Advertising**

(RALEIGH) Attorney General Josh Stein today reached a \$10.25 million multistate settlement with wireless carriers AT&T Mobility LLC, Cricket Wireless LLC, T-Mobile USA Inc., Cellco Partnership, d/b/a Verizon Wireless, and TracFone Wireless Inc., to resolve his investigation into the carriers' deceptive and misleading advertising practices. North Carolina will receive \$220,313.32 from the settlement.

"People deserve to know what they're paying for instead of being surprised after they've spent their money," said Attorney General Josh Stein. "I'm pleased that this settlement will require wireless providers to be honest and transparent about terms and prices in their ads and other marketing."

The attorneys general of all 50 states and the District of Columbia launched an investigation in 2016 over concerns that these wireless carriers were misleading people in ads, including by advertising "unlimited" data, free phone offers, incentives for switching wireless networks, and wireless carrier plan comparisons – all without disclosing limits, conditions, and other details.

As part of the settlement, these wireless carriers are required to be truthful and accurate in all future advertisements, including disclosing limitations to any marketing offers and promotions. They will also appoint a dedicated employee to work with the attorneys general to address consumer complaints and train customer service representatives so that they are being truthful and accurate when speaking with customers.

Copies of the settlement agreements are available [here](#).

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