VT SUPERIOR COURT
WASHINGTON UNIT
CIVIL DIVISION

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2015 MAY 12 A 8:17

FILED

IN RE: THIRD-PARTY CHARGES ON MOBILE TELEPHONE BILLS	)	CIVIL DIVISION Docket No. 301-5-15 Wncv

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Cellco Partnership d/b/a Verizon Wireless ("Carrier" or "Verizon") hereby agree to this Assurance of Discontinuance ("Assurance") pursuant to 9 V.S.A. § 2459.

I. BACKGROUND

1. The Attorneys General are responsible for enforcing their respective unfair and deceptive acts and practices laws and other consumer protection laws in their respective states and commonwealths.

2. Carrier is a partnership organized under the laws of the state of Delaware with its principal place of business located at One Verizon Way, Basking Ridge, New Jersey, 07920. Carrier is a leading provider of mobile telephone services.

3. The Attorneys General allege that the practice of placing charges on Consumers' mobile telephone bills that have not been authorized by Consumers, known as "cramming," is a major national problem.

4. The Attorneys General allege that Consumers who have been "crammed" often complain about charges, typically $9.99 per month, for "premium" text message subscription services such as horoscopes, trivia, and sports scores that they have never heard of or requested.

5. The Attorneys General allege that cramming occurs when Carrier places charges on Consumers' mobile telephone bills for Third-Party Products without Consumers' knowledge and/or authorization.

6. The Attorneys General allege that many Consumers are unaware that their mobile telephones can be used to make payments for Third-Party Products, and that Consumers often pay Unauthorized Third-Party Charges without the knowledge that the charges have been placed on their mobile telephone bills.

7. Although Carrier denies any liability based upon the allegations above, in order to resolve this dispute, Carrier has agreed to the terms of this Assurance.

II. DEFINITIONS

8. The following definitions shall apply for purposes of this Assurance:

   a. "Account Holder" means any individual or entity who is or was responsible for paying all charges associated with all lines on that individual's or entity's mobile phone account with Carrier.

   b. "Attorneys General"[1] means the Attorneys General, or their designees, of the Participating States.

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

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

   e. A statement is "Clear and Conspicuous" if it is disclosed in such size, color, contrast, location, duration, and/or audibility that it is readily noticeable, readable, understandable, and/or capable of being heard. A statement may not contradict or be inconsistent with any other information with which it is presented. If a statement materially modifies, explains or clarifies other information with which it is presented, then the statement 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:

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

[1] "Attorney General" means and "Attorneys General" shall include, as it relates to Georgia, the Administrator of the Fair Business Practices Act of 1975 ("FBPA"), appointed pursuant to O.C.G.A. 10-1-395, who is statutorily authorized to enforce FBPA. With respect to Utah, the term "Attorney General" means counsel to the Utah Division of Consumer Protection, the state agency that is statutorily authorized with administering and enforcing the statutes listed in Utah Code Ann. § 13-2-6, including the Utah Consumer Sales Practices Act, Utah Code Ann. § 13-11-1, *et seq.* Hawaii is represented by its Office of Consumer Protection, an agency that is not part of the state Attorney General's Office, but which is statutorily authorized to undertake consumer protection functions, including legal representation of the State of Hawaii. With regard to New Jersey, the Attorney General, pursuant to *N.J.S.A* 52:17A-4, is charged with the responsibility of enforcing the Consumer Fraud Act *N.J.S.A.*56:8-1 *et seq.* ("CFA"). The Director of the New Jersey Division of Consumer Affairs, pursuant to *N.J.S.A.* 52:17B-124, is charged with the responsibility of administering the CFA. References to "Attorneys General," "parties," or "States," with respect to New Jersey, include the Director of the New Jersey Division of Consumer affairs. Connecticut is represented by the Connecticut Attorney General, acting as the authorized representative of the Connecticut Commissioner of Consumer Protection.

ii. a 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;

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

iv. a text message disclosure must be of a type size and format, to the extent controlled by the sender, so that a Consumer can notice and read it on their mobile devices, and hyperlinks included as part of the text message should be clearly labeled or described.

f. "Commercial PSMS" means the use of PSMS to bill for Third-Party Products.

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

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

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

j. "Participating States" means the following states and commonwealths: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, 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, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming, as well as the District of Columbia.

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

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

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

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

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

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

III. APPLICATION

9. The provisions of this Assurance shall apply to Carrier and its officers, employees, agents, successors, assignees, merged or acquired entities, wholly-owned subsidiaries, and all other persons or entities acting in concert or participation with

any of them, who receive actual notice of this Assurance, regarding Carrier's placement of Third-Party Charges in the Participating States.

IV. ASSURANCE TERMS

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

11. Authorization of Third-Party Charges: Carrier shall obtain Express Informed Consent before a Consumer is billed for any Third-Party Charge. The Consumer's Express Informed Consent may be provided to Carrier or to another person or entity obligated to Carrier to obtain such consent. Carrier or such other person or entity shall retain sufficient information to allow such consent to be verified. If Express Informed Consent is not directly collected by Carrier, Carrier shall implement reasonable policies and practices[2] to confirm Express Informed Consent shall be appropriately collected and documented by the person or entity obligated to do so, and shall monitor and enforce those policies and practices to confirm Express Informed Consent is appropriately collected and documented, and where Express Informed Consent has not been appropriately collected and documented, shall require remedial action (which may include, for example, suspension, proactive credits, or retraining) or cease placing such charges on Consumers' Bills.

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

13. Information on Blocking: Beginning no later than July 1, 2015, Carrier shall provide a Clear and Conspicuous disclosure about Third-Party Charges and Blocking options in informational material provided to Consumers at or near the time of subscribing to or activating service, to the extent Third-Party Charges are offered and available with the service, and which is provided in a context separate from the actual subscriber agreement document. Such disclosure shall include or provide access to a description of Third-Party Charges, how Third-Party Charges appear on Bills, and

[2] For purposes of this Paragraph, for charges incurred through operating system storefronts, such reasonable policies and practices may, for example, consist of Carrier or its agents making a statistically valid random sample of purchases to demonstrate whether the storefront is collecting Express Informed Consent consistent with this Assurance. Such policies and practices shall be fully implemented by Verizon no later than July 1, 2015.

options available to Consumers to Block Third-Party Charges. Consumers shall not incur any data or text charges for receiving or accessing the information discussed in this Paragraph.

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

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

b. The Third-Party Charge billing section required by this Paragraph 14 shall include a Clear and Conspicuous disclosure of a Consumer's ability to Block Third-Party Charges, including contact and/or access information that Consumers may use to initiate such Blocking. If Carrier includes a Third-Party Charge billing section for each mobile line on the account, the Carrier shall have the option to include the disclosure of a Consumer's ability to Block Third-Party Charges in only the first Third-Party Charge billing section that appears on the Bill, rather than in all Third-Party Charge billing sections.

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

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

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

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

ii. For disputed Third-Party Charges (either a single charge or a recurring charge) initially incurred more than twelve (12) months prior to when the Consumer contacted Carrier, within 10 business

days from receipt of the claim, either (1) provide the Consumer a full refund or credit of any and all disputed Third-Party Charges not previously credited or refunded to the Consumer, or (2) deny a refund if Carrier has information demonstrating that the Consumer provided Express Informed Consent to the Third-Party Charge, offers to provide such information to the Consumer, and, upon request, provides such information to the Consumer. This subparagraph (b)(ii) shall expire four (4) years from the Effective Date.

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

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

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

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

18. Information Maintained by Carrier: Carrier shall implement systems that allow it to maintain and report the refund/credit information created pursuant to Paragraph

15. Carrier shall maintain such records for at least five (5) years from the date of their creation. Carrier's obligation to maintain records for five (5) years from the date of their creation shall continue after Carrier's obligation to provide the Quarterly Reports described in Paragraph 19 expires.

19. Information Sharing with Attorneys General:

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

i. the total number of Consumer claims for Unauthorized Third-Party Charges for which Carrier has demonstrated that the purchaser provided Express Informed Consent or for which Carrier has demonstrated that the claim was untimely under subparagraph 15(b);

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

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

iv. for the claims and refunds/credits identified under subparagraphs 19(a)(i), (ii), and (iii), above, the Third-Party Product, the Third Party, and the entity responsible for ensuring Express Informed Consent is obtained from the Consumer, if different than Carrier; and

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

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

V. MONETARY PAYMENT

20. Carrier shall pay Sixteen Million Dollars ($16,000,000.00) to the Participating States. For purposes of this Assurance, Carrier shall pay $947,371.83 to Vermont. Payment shall be made no later than thirty (30) days after the Effective Date. Said payment shall be used by the Vermont Attorney General for purposes that may include, but are not limited to, attorneys' fees, and other costs of investigation and litigation, or be placed in, or applied to, any consumer protection law enforcement fund, including future consumer protection or privacy enforcement, consumer education, litigation or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the Vermont Attorney General.

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

22. The Participating States and Carrier recognize that, in addition to the payment provided under Paragraph 20, Carrier has agreed to pay Four Million Dollars ($4,000,000.00) to the Federal Communications Commission ("FCC") to resolve the concurrent FCC investigation of Verizon regarding Unauthorized Third-Party Charges.

23. The Participating States and Carrier recognize that Carrier has agreed to the Consumer Redress Plan referred to in Section III of the CFPB Stipulated Order, which sets forth a process for providing Consumers with redress of up to Seventy Million Dollars ($70,000,000.00). This Assurance does not alter, amend, replace, or expand the Consumer redress program set forth in Section III of the CFPB Stipulated Order. To the extent residual monies remain after the cessation of the Redress Period, the Participating States will collaborate with the FCC and CFPB in determining how to dispose of the funds, including whether additional restitution is practicable. To the extent the CFPB transfers any residual amounts to the Participating States following the cessation of the Redress Period, the Participating States shall use such money in the manner and for the purposes identified in Paragraph 20 above.

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

VI. RELEASE

25. Effective upon full payment of the amount due under Paragraph 20, the Attorney General releases and discharges Carrier and its officers, employees, agents, successors, assignees, affiliates, merged or acquired entities, parent or controlling entities, and subsidiaries from any and all claims, suits, demands, damages, restitution, penalties, fines, actions, and other causes of action that the Attorney General could have brought under 9 V.S.A. §§ 2453, 2458, both known and unknown, arising directly or indirectly out of or related to billing, charging, disclosures, policies, practices, actions or omissions related to PSMS or Unauthorized Third-Party Charges that were incurred prior to the Effective Date. In the case of affiliates, acquired entities, or subsidiaries, this release only covers conduct occurring during the time such entities are or were affiliates or subsidiaries of Carrier. Nothing contained in this Paragraph shall be construed to limit the ability of the Attorney General to enforce the obligations that Carrier and its officers, agents, servants and employees acting on its behalf, have under this Assurance.

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

27. Notwithstanding any term of this Assurance, any and all of the following forms of liability are specifically reserved and excluded from the release in Paragraph 25 as to any entity or person, including Carrier:

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

    b. any civil or administrative liability that any person or entity, including Carrier, has or may have to Vermont under any statute, regulation or rule not expressly covered by the release in Paragraph 25 above, including but not limited to, any and all of the following claims:

        i. state or federal antitrust violations;

        ii. state or federal securities violations; and

        iii. state or federal tax claims.

VII. GENERAL PROVISIONS

28. The parties understand and agree that this is a compromise settlement of disputed issues and that the consideration for this Assurance 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 Carrier 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 Assurance does not constitute a finding of law or fact, or any evidence supporting any such finding, by any court or agency that Carrier has engaged in any act or practice declared unlawful by any laws, rules, or regulations of any state. Carrier denies any liability or violation of law and enters into this Assurance without any admission of liability. It is the intent of the parties that this Assurance shall not be used as evidence or precedent in any action or proceeding, except an action to enforce this Assurance.

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

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

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

32. Carrier understands that the Attorney General may file and seek court approval of this Assurance. Should such an approval be obtained, the court shall retain jurisdiction over this Assurance for the purpose of enabling the parties to apply to the court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this Assurance. Neither party will object on the basis of jurisdiction to enforcement of this Assurance under this Paragraph.

33. As consideration for the relief agreed to herein, if the Attorney General of a Participating State determines that Carrier has failed to comply with any of the

terms of this Assurance, and if in the Attorney General's sole discretion the failure to comply does not threaten the health or safety of the citizens of the Participating State and/or does not create an emergency requiring immediate action, the Attorney General will notify Carrier in writing of such failure to comply and Carrier shall then have ten (10) 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 Carrier believes it is in full compliance with the Assurance; or (b) a detailed explanation of how the alleged violation(s) occurred; and (i) a statement that the alleged breach has been addressed and how; or (ii) a statement that the alleged breach cannot be reasonably addressed within ten (10) business days from receipt of the notice, but (1) Carrier has begun to take corrective action to address the alleged breach; (2) Carrier is pursuing such corrective action with reasonable and due diligence; and (3) Carrier has provided the Attorney General with a detailed and reasonable timetable for addressing the alleged breach.

34. Nothing herein shall prevent the Attorney General from agreeing in writing to provide Carrier with additional time beyond the ten (10) business day period to respond to the notice provided under Paragraph 33.

35. Nothing herein shall be construed to exonerate any contempt or failure to comply with any provision of this Assurance after the date of its entry, to compromise the authority of the Attorney General to initiate a proceeding for any contempt or other sanctions for failure to comply, or to compromise the authority of a court to punish as contempt any violation of this Assurance. Further, nothing in this Paragraph shall be construed to limit the authority of the Attorney General to protect the interests of the Participating State or the people of the Participating State.

36. The Participating States represent that they will seek enforcement of the provisions of this Assurance with due regard to fairness.

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

38. This Assurance is intended to supplement, and does not supplant or in any way restrict, the Attorney General's subpoena power and/or investigative authority pursuant to applicable law.

39. This Assurance does not supplant or in any way restrict the Attorney General's powers to investigate the prevalence of Unauthorized Third-Party Charges or the

extent to which this Assurance has affected the prevalence of Unauthorized Third-Party Charges in his/her jurisdiction.

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

41. The only persons with rights under this Assurance are the parties to the Assurance, namely Carrier and the Attorney General. No third party (including third parties that meet the definition in 8(m)) is entitled to claim rights under this Assurance and no provision of this Assurance is enforceable by any person or entity not a party to the Assurance. The agreement in this Assurance has no third-party beneficiaries.

42. This Assurance represents the full and complete terms of the settlement entered into by the parties hereto.

43. All parties participated in the drafting of this Assurance.

44. This Assurance may be executed in counterparts, and a facsimile or .pdf signature shall be deemed to be, and shall have the same force and effect as, an original signature.

45. All notices under this Assurance shall be provided to the following address via first-class or electronic mail:

Kate Whelley McCabe
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
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VC54N068
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Robert.l.ernst@verizon.com

For Carrier

46. Any failure by any party to this Assurance to insist upon the strict performance by any other party of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions of this Assurance, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Assurance.

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

48. Nothing in this Assurance shall be construed as relieving Carrier of the obligation to comply with all local, state and federal laws, regulations or rules, nor shall any of the provisions of this Assurance be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

49. The parties understand that this Assurance shall not be construed as an approval of or sanction by the Attorney General of Carrier's business practices, nor shall Carrier represent the decree as such an approval or sanction. The parties further understand that any failure by the Attorney General to take any action in response to any information submitted pursuant to the 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. Carrier shall not 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 Vermont that are prohibited by this Assurance or for any other purpose that would otherwise circumvent any term of this Assurance. Carrier shall not cause, knowingly permit, or encourage any other persons or entities acting on its behalf to engage in practices from which Carrier is prohibited by this Assurance.

51. If the Attorney General determines that Carrier made any material misrepresentation or omission relevant to the resolution of this investigation, the Attorney General retains the right to seek modification of this Assurance.

52. In the event that any statute or regulation pertaining to the subject matter of this Assurance is modified, enacted, promulgated, or interpreted by the federal government or any federal agency, such as the FCC, such that Carrier cannot comply with both the statute or regulation and any provision of this Assurance, Carrier may comply with such statute or regulation, and such action shall constitute compliance with the counterpart provision of this Assurance. Carrier shall provide advance written notice to the Attorney General of Vermont of the inconsistent provision of the statute or regulation with which Carrier intends to comply under this Paragraph, and of the counterpart provision of this Assurance that conflicts with the statute or regulation.

53. In the event that any statute or regulation pertaining to the subject matter of this Assurance is modified, enacted, promulgated or interpreted by a Participating State, such that the statute or regulation is in conflict with any provision of this Assurance, and such that Carrier cannot comply with both the statute or regulation and the provision of this Assurance, Carrier may comply with such statute or regulation in the Participating State, and such action shall constitute compliance with the counterpart provision of this Assurance. Carrier shall provide advance written notice to both the Attorney General of Vermont and the Attorney General of the Participating State, of the inconsistent provision of the statute or regulation with which Carrier intends to comply under this Paragraph, and of the counterpart provision of this Assurance that is in conflict with the statute or regulation.

54. To seek a modification of this Assurance for any reason other than that provided for in Paragraphs 52 or 53 of this Assurance, Carrier shall send a written request for modification to the Attorney General of Vermont on behalf of the Participating States. The Participating States shall give such petition reasonable consideration and shall respond to Carrier within thirty (30) days of receiving such request. At the conclusion of this thirty (30) day period, Carrier reserves all rights to pursue any legal or equitable remedies that may be available to it.

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

56. Carrier shall pay all court costs associated with the filing of this Assurance, should the Attorney General be required to file and seek court approval of this Assurance.

DATED at Montpelier, Vermont this 12th day of May, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____

Kate Whelley McCabe
Assistant Attorney General
Office of the Attorney General
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Montpelier, VT 05609
(802) 828-5621
kate.whelleymccabe@state.vt.us

DATED at Basking Ridge, NJ this 8 day of May, 2015.

CELLCO PARTNERSHIP
d/b/a VERIZON WIRELESS

By: _____

Craig L. Silliman
Executive Vice President
and General Counsel
VERIZON