

BUREAU OF CONSUMER PROTECTION  
100 North Carson Street  
Carson City, Nevada 89701-4717

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Case No. 1500 00135 13  
Dept. No. II

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SUSAN HERRIWETHER  
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IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
IN AND FOR CARSON CITY

STATE OF NEVADA, OFFICE OF THE  
ATTORNEY GENERAL, ex. rel. ADAM PAUL  
LAXALT, Attorney General,

Plaintiff,

v.

SPRINT CORPORATION,

Defendant.

ASSURANCE OF DISCONTINUANCE

This Assurance of Discontinuance is entered into by THE STATE OF NEVADA, by and through Attorney General ADAM PAUL LAXALT, and his Senior Deputy JOHN R. McGLAMERY, and SPRINT CORPORATION.

ADAM PAUL LAXALT is the duly elected Attorney General of the State of Nevada. In his capacity as Attorney General, he is authorized to bring actions in the name of the STATE OF NEVADA to enforce the provisions of the Nevada Deceptive Trade Practices Act, NRS 598.0903 to 598.0999 and NRS 598.968 to NRS 598.9694, inclusive.

Pursuant to NRS 598.0995, the Attorney General may accept an assurance of discontinuance with respect to any method, act, or practice deemed to be a deceptive trade practice from any person who is engaged or is about to engage in the method, act, or practice. The assurance of discontinuance must be in writing and must be filed with and subject to the

1 approval of the district court in the county in which the alleged violator resides, has its principal  
2 place of business, or the district court in any county where any deceptive trade practice has  
3 occurred, or is about to occur, or the district court agreed to by the parties. An assurance of  
4 discontinuance is not an admission of violation for any purpose but is subject to the terms,  
5 limitations and conditions of NRS 598.0995.

6 I.

7 **BACKGROUND**

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

11 2. SPRINT CORPORATION hereinafter referred to as "Sprint," is a Kansas corporation  
12 located at 6200 Sprint Parkway, Overland Park, Kansas, 66251. Sprint is a leading provider of  
13 mobile telephone services.

14 3. The Attorneys General allege that the practice of placing charges on Consumers'  
15 Mobile Telephone Bills that have not been authorized by Consumers, known as "cramming," is  
16 a major national problem.

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

21 5. The Attorneys General allege that cramming occurs when carriers place charges on  
22 Consumers' Mobile Telephone Bills or deduct them from Consumers' Prepaid Accounts for  
23 Third-Party Products without Consumers' knowledge and/or authorization.

24 6. The Attorneys General allege that many Consumers are unaware that their mobile  
25 telephones can be used to make payments for Third-Party Products, and that Consumers often  
26 pay Unauthorized Third-Party Charges without the knowledge that the charges have been  
27 placed on their Mobile Telephone Bills or deducted from their Prepaid Accounts.

28 7. Sprint believes that it has fully and voluntarily cooperated with the Attorneys General

1 in their inquiries regarding the placement of Unauthorized Third-Party Charges on Mobile  
2 Telephone Bills and Prepaid Accounts, has created and imposed industry-leading disclosure  
3 standards for the protection of Consumers, and has worked to aggressively monitor  
4 compliance by Third Parties. Although Sprint denies any liability based upon the allegations  
5 above, in order to resolve this dispute, Sprint has agreed to the terms of this Assurance.

6 II.

7 DEFINITIONS

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

- 9 a. "Account Holder" means any individual or entity responsible for paying all  
10 charges associated with all lines on that individual's or entity's mobile phone  
11 account with Sprint.
- 12 b. "Attorneys General"<sup>1</sup> means the Attorneys General, or their designees, of the  
13 Participating States.
- 14 c. "Block" means a restriction placed on a Consumer's account that prevents  
15 one or more lines from being used to purchase Third-Party Products and from  
16 being charged for Third-Party Charges on a Consumer's Mobile Telephone Bill or  
17 Prepaid Account.
- 18 d. A statement is "Clear and Conspicuous" if it is disclosed in such size, color,  
19 contrast, location, duration, and/or audibility that it is readily noticeable, readable,  
20 understandable, and/or capable of being heard. A statement may not contradict  
21 or be inconsistent with any other information with which it is presented. If a  
22 statement modifies, explains or clarifies other information with which it is  
23 presented, then the statement must be presented in proximity to the information  
24 it modifies, explains or clarifies, in a manner that is readily noticeable, readable,

25 <sup>1</sup> The Georgia Administrator of the Fair Business Practices Act, appointed pursuant to O.C.G.A. 10-1-395,  
26 is statutorily authorized to enforce Georgia's Fair Business Practices Act of 1975 ("FBPA"). The Utah Division of  
27 Consumer Protection is statutorily authorized to enforce all statutes listed in Utah Code 13-2-6, including the Utah  
28 Consumer Sales Practices Act, Utah Code 13-11-1, *et seq.* Hawaii is represented by its Office of Consumer  
Protection, an agency that is not part of the state Attorney General's Office, but which is statutorily authorized to  
undertake consumer protection functions, including legal representation of the State of Hawaii.

1 and understandable, and not obscured in any manner. In addition:

- 2 i. an audio disclosure must be delivered in a volume and  
3 cadence sufficient for a Consumer to hear and comprehend  
4 it;  
5 ii. a television or internet disclosure must be of a type size,  
6 location, and shade and remain on the screen for a duration  
7 sufficient for a Consumer to read and comprehend it;  
8 iii. a disclosure in a print advertisement or promotional material,  
9 including, but without limitation, a point of sale display or  
10 brochure materials directed to Consumers, must appear in a  
11 type size, contrast, and location sufficient for a Consumer to  
12 read and comprehend it; and  
13 iv. a text message disclosure must be of a type size and format  
14 so that Consumers can notice and read it on their mobile  
15 device.

16 e. "Commercial PSMS" means the use of PSMS to charge for Third-Party  
17 Products

18 f. "Consumer" means a current or former Sprint Account Holder or other  
19 authorized subscriber for which Third-Party Charges are or were placed on the  
20 Consumer's Mobile Telephone Bill or Prepaid Account, whether that person is  
21 the individual responsible for paying the Mobile Telephone Bill or Prepaid  
22 Account, or has a device that is billed to a shared account, or is otherwise  
23 authorized to incur charges on the account, and is a resident of one of the  
24 Participating States. "Consumer" does not include any business entity or any  
25 state, federal, local, or other governmental entity, if (1) the business entity or  
26 government, and not the employees or individuals working for or with that  
27 business entity or government, is solely liable to Sprint for payment of all charges  
28 to that account, and (2) the ability to process Third-Party Charges through that

1 account is not available unless the business entity or government affirmatively  
2 requests that certain or all mobile devices be provided the ability to authorize  
3 placement of such Third-Party Charges.

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

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

14 i. "Mobile Telephone Bill" means a Consumer's paper or electronic monthly  
15 statement of charges for Sprint postpaid wireless service.

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

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

1 I. "Prepaid Account" means a Consumer's account for wireless service where  
2 funds first must be applied to the account, and usage results in deductions from  
3 those funds.

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

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

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

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

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

1 services.

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

5 III.

6 **APPLICATION**

7 9. The provisions of this Assurance shall apply to Sprint and its officers, employees,  
8 agents, successors, assignees, merged or acquired entities, wholly-owned subsidiaries, and all  
9 other persons or entities acting in concert or participation with Sprint's placement of Third-Party  
10 Charges in the Participating States.

11 IV.

12 **ASSURANCE TERMS**

13 10. Commercial PSMS: Sprint shall not make available to Consumers the option to  
14 purchase Third-Party Products through Commercial PSMS or charge for Commercial PSMS.

15 11. Authorization of Third-Party Charges: Sprint shall immediately begin developing  
16 and implementing a system, which shall be fully implemented by Sprint no later than  
17 September 15, 2015, to obtain Express Informed Consent before a Consumer is charged for  
18 any Third-Party Charge or before funds are deducted from a Prepaid Account. The  
19 Consumer's Express Informed Consent may be provided to Sprint or to another person or  
20 entity obligated to Sprint to obtain such consent. Sprint or other person or entity shall retain  
21 sufficient information to allow such consent to be verified. If Express Informed Consent is not  
22 directly collected by Sprint, Sprint shall implement reasonable policies and practices<sup>2</sup> to  
23 confirm Express Informed Consent shall be appropriately collected and documented by the  
24 person or entity obligated to do so, and shall monitor and enforce those policies and practices<sup>3</sup>

25  
26 <sup>2</sup> For purposes of this Paragraph, for charges incurred through operating system storefronts, such reasonable  
27 policies and practices may, for example, consist of Sprint or its agents making a statistically valid random sample  
28 of purchases to demonstrate whether the storefront is collecting Express Informed Consent consistent with this  
Assurance.

1 to confirm Express Informed Consent is appropriately collected and documented, and where  
2 Express Informed Consent has not been appropriately collected and documented, shall require  
3 remedial action (which may include, for example, suspension, proactive credits, or retraining)  
4 or cease billing for such charges. While the system described by this Paragraph is being  
5 developed and implemented, Sprint shall take reasonable steps to obtain Express Informed  
6 Consent before a Consumer is charged for any Third-Party Charge. Such Express Informed  
7 Consent shall be kept for the period of at least five (5) years.

8       12. Purchase Confirmation for Third-Party Charges: Beginning no later than September  
9 15, 2015, Sprint shall implement a system whereby the Consumer (and, for multiline accounts,  
10 the Account Holder, if designated) will be sent a purchase confirmation, separate from the  
11 Mobile Telephone Bill or Prepaid Account, of every Third-Party Charge, including recurring  
12 charges, that will appear on his or his Mobile Telephone Bill or be deducted from his or his  
13 Prepaid Account. Any such purchase confirmation shall be sent within a reasonable period of  
14 time following the time a Third-Party Product is purchased or the recurrence of a Third-Party  
15 Charge, and shall identify Blocking options that Sprint makes available to Consumers and/or  
16 provide access to such information. For multiline accounts, Sprint may provide the Account  
17 Holder the option to elect not to receive such purchase confirmations.

18       13. Information on Blocking: Beginning no later than June 1, 2015, Sprint shall provide  
19 a Clear and Conspicuous disclosure about Third-Party Charges and Blocking options in  
20 informational material provided at or near the time of subscribing to service, and which is  
21 provided in a context separate from the actual subscriber agreement document. Such  
22 disclosure shall include a description of Third-Party Charges, how Third-Party Charges appear  
23 on Mobile Telephone Bills and Prepaid Accounts, and options available to Consumers to Block  
24 Third-Party Charges. Consumers, if they are current Sprint customers, shall not incur any data  
25 or text charges for receiving or accessing the information when Sprint electronically delivers the  
26 disclosure discussed in this subparagraph as the primary means of providing this information to  
27 the Consumer; however, if Sprint primarily provides this information through non-electronic  
28 means, but the Consumer chooses to also or alternatively access or receive this information

1 via data (e.g., a web browser, or by email), then standard data rates may apply.

2 14. Billing Information and Format: No later than the Effective Date:

- 3 a. All Third-Party Charges shall be presented in a dedicated section of the  
4 Consumer's Mobile Telephone Bill (or in a dedicated section for each mobile line  
5 on the account, if the Mobile Telephone Bill sets forth charges by each line) and  
6 shall be set forth in such a manner as to distinguish the Third-Party Charges  
7 contained therein from Sprint's service, usage and other charges. This section of  
8 the Consumer's Mobile Telephone Bill shall contain a heading that Clearly and  
9 Conspicuously identifies that the charges are for Third-Party Products; and  
10 b. the Third-Party Charge billing section required by this Paragraph shall include  
11 a Clear and Conspicuous disclosure of a Consumer's ability to Block Third-Party  
12 Charges, including contact and/or access information that Consumers may use  
13 to initiate such Blocking. If Sprint includes a Third-Party Charge billing section for  
14 each mobile line on the account, Sprint shall have the option to include the  
15 disclosure of a Consumer's ability to Block Third-Party Charges in only the first  
16 Third-Party Charge billing section that appears on the Mobile Telephone Bill,  
17 rather than in all Third-Party Charge billing sections.

18 15. Consumer Contacts: When a Consumer contacts Sprint with regard to a Third-  
19 Party Charge or a Block, Sprint shall:

- 20 a. provide the Consumer with access to a customer service representative who  
21 shall have access to the Consumer's account information for at least the prior  
22 twelve (12) months;  
23 b. beginning no later than thirty (30) days after the Effective Date, for any  
24 Consumer who claims that he or she did not authorize a Third-Party Charge  
25 incurred after the Effective Date, either (1) provide the Consumer a full refund or  
26 credit of any and all disputed Third-Party Charges not previously credited or  
27 refunded to the Consumer, or (2) deny a refund if:  
28

- 1 i. Sprint has information demonstrating that the Consumer provided Express  
2 Informed Consent to the Third-Party Charge, offers to provide such  
3 information to the Consumer, and, upon request, provides such information to  
4 the Consumer; or  
5 ii. the last disputed Third-Party Charge for the particular Third-Party Product  
6 at issue (either a single charge or a recurring charge) was incurred more than  
7 three (3) months prior to when the Consumer contacted Sprint, and Sprint is  
8 in compliance with Paragraph 12 with respect to the charge;
- 9 c. if the Consumer claims that he or she did not authorize a Third-Party Charge,  
10 and the Consumer is a current customer of Sprint, offer the Consumer the  
11 opportunity to Block future Third-Party Charges;
- 12 d. if the Consumer is not satisfied with the relief obtained under the process  
13 contained in subparagraph (b) of this Paragraph 15:
- 14 i. offer the Consumer the opportunity to receive a full refund if the Consumer  
15 submits his or his request in writing via U.S. Mail, email or web-based form  
16 affirming that he or she did not authorize such charge, and provide such  
17 refund, unless Sprint can demonstrate fraud or misrepresentation in  
18 connection with the claim.
- 19 ii. This subparagraph (d) shall expire four (4) years from the Effective Date.
- 20 e. beginning no later than the Effective Date, not require the Consumer to  
21 first contact the Third Party in order to receive a refund/credit of any claimed  
22 Unauthorized Third-Party Charge, although this subparagraph does not prohibit  
23 asking the Consumer if he or she has contacted the Third Party and/or if the  
24 Consumer has already received a credit or refund from the Third Party for some  
25 or all of the claimed Unauthorized Third-Party Charge; and
- 26 f. in the event a Consumer disputes a Third-Party Charge as unauthorized,  
27 until such time as the provisions of subparagraph 15.b.i or ii are satisfied, not:  
28

- 1 i. require the Consumer to pay the disputed Third-Party Charge, including  
2 any related late charge or penalty;  
3 ii. send the disputed Third-Party Charge to collection;  
4 iii. make any adverse credit report based on non-payment of the disputed  
5 Third-Party Charge; and/or  
6 iv. suspend, cancel, or take any action that may adversely affect the  
7 Consumer's mobile telephone service or functionality for any reason related  
8 to non-payment of the disputed Third-Party Charge. The remedies in this  
9 subparagraph 15(f) are inapplicable to Consumer complaints involving  
10 dissatisfaction with purchases where the Consumer does not dispute that the  
11 Consumer authorized the purchase.

12 16. Training: Sprint shall, for at least six (6) years from the Effective Date, conduct a  
13 training program with its customer service representatives, at least annually, to administer the  
14 requirements of this Assurance. To the extent that Sprint no longer permits Third-Party  
15 Charges on Consumers' Mobile Telephone Bills or the deduction of Third-Party Charges on  
16 Consumers' Prepaid Accounts, Sprint shall conduct one training program within three (3)  
17 months of such cessation and shall have no further obligation to conduct training programs  
18 under this Paragraph so long as Sprint does not permit Third-Party Charges on Consumers'  
19 Mobile Telephone Bills or the deduction of Third-Party Charges on Consumers' Prepaid  
20 Accounts.

21 17. Cooperation with Attorney General: Sprint shall designate a contact to whom the  
22 Attorney General may provide information regarding any concerns about Unauthorized Third-  
23 Party Charges, and from whom the Attorney General may request information and assistance  
24 in investigations. Such information and assistance shall include information regarding the  
25 identity of Third Parties placing charges on Sprint's Mobile Telephone Bills or deducting Third-  
26 Party Charges from Consumers' Prepaid Accounts, revenue from such Third Party, refunds  
27 provided relating to the Third Party, any audits conducted of the Third Party (to the extent not  
28 protected by attorney-client privilege or attorney work product), and any applications or other

1 information provided by the Third Party, to the extent that Sprint has access to such  
2 information. Sprint shall provide such information within a reasonable period and shall  
3 cooperate in good faith with such requests, including investigating any reports of Unauthorized  
4 Third-Party Charges Sprint receives from the Attorney General.

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

11 19. Information Sharing with Attorneys General:

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

- 17 i. the total number of Consumer claims for Unauthorized Third-Party  
18 Charges for which Sprint has demonstrated that the purchaser provided  
19 Express Informed Consent or for which Sprint has demonstrated that the  
20 claim was untimely under subparagraph 15(b)(ii);
- 21 ii. all refunds/credits provided, in dollars, due to Sprint's inability to provide  
22 proof of Express Informed Consent in response to such a claim by  
23 Consumers;
- 24 iii. all other refunds/credits provided, in dollars;
- 25 iv. for the claims and refunds/credits identified under subparagraphs 19(a)(i),  
26 (ii), and (iii), above, the Third-Party Product, the Third Party, and the entity  
27 responsible for ensuring Express Informed Consent from the Consumer, if  
28 different than Sprint; and

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

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

16 **V.**

17 **MONETARY PAYMENT**

18 1. Sprint shall pay Twelve Million Dollars (\$12,000,000.00) to the Participating States.  
19 For purposes of this Assurance, Sprint shall pay \$151,279.15 to the State of Nevada. Payment  
20 shall be made within five (5) business days after July 1, 2015. Said payment shall be used by  
21 the Nevada Attorney General for purposes that may include attorneys' fees, and other costs of  
22 investigation and litigation, or to be placed in, or applied to, any consumer protection law  
23 enforcement fund, including future consumer protection or privacy enforcement, consumer  
24 education, litigation or local consumer aid fund, used to defray the costs of the inquiry leading  
25 hereto, or for other uses permitted by state law, at the sole discretion of the Nevada Attorney  
26 General.

27 20. Within one hundred and twenty (120) days of the conclusion of the Redress Period  
28 described by the Consumer Redress Plan referred to in Section III of the CFPB Stipulated

1 Order resolving the concurrent CFPB investigation of Sprint regarding Unauthorized Third-  
2 Party Charges, Sprint shall provide the Attorneys General with a list containing the following  
3 information for each of the Participating States: (a) the number of claims submitted to the  
4 Consumer redress program by Consumers residing in the Participating State; (b) the number of  
5 claims submitted to the Consumer redress program by Consumers residing in the Participating  
6 State for which Sprint made redress; and (c) the total amount of redress given to Consumers  
7 residing in the Participating State pursuant to the Consumer redress program.

8 21. The Participating States and Sprint recognize that, in addition to the payment  
9 provided under Paragraph 20, Sprint has agreed to pay Six Million Dollars (\$6,000,000.00) to  
10 the Federal Communications Commission ("FCC") to resolve the concurrent FCC investigation  
11 of Sprint regarding Unauthorized Third-Party Charges.

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

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

25 **V.**

26 **RELEASE**

27 24. Effective upon full payment of the amount due under Paragraph 20, the Attorney  
28 General releases and discharges Sprint and its officers, employees, agents, successors,

1 assignees, affiliates, merged or acquired entities, parent or controlling entities, and subsidiaries  
2 from any and all claims, suits, demands, damages, restitution, penalties, fines, actions, and  
3 other causes of action that the Attorney General could have brought under Chapter 598 of the  
4 Nevada Revised Statutes, both known and unknown, arising directly or indirectly out of or  
5 related to billing, charging, disclosures, policies, practices, actions or omissions related to  
6 PSMS or Unauthorized Third-Party Charges that were incurred prior to the Effective Date. In  
7 the case of affiliates, acquired entities, or subsidiaries, this release only covers conduct  
8 occurring during the time such entities are or were affiliates or subsidiaries of Sprint. Further,  
9 nothing contained in this Paragraph shall be construed to limit the ability of the Attorney  
10 General to enforce the obligations that Sprint and its officers, agents, servants and employees  
11 acting on its behalf, have under this Assurance.

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

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

- 17 a. Any criminal liability that any person or entity, including Sprint, has or may have to  
18 the State of Nevada;
- 19 b. Any civil or administrative liability that any person or entity, including Sprint, has or  
20 may have to the State of Nevada under any statute, regulation or rule not expressly  
21 covered by the release in Paragraph 25 above, including but not limited to, any and all  
22 of the following claims:

- 23 i. state or federal antitrust violations;
- 24 ii. state or federal securities violations; and
- 25 iii. state or federal tax claims.

26 **VII.**

27 **GENERAL PROVISIONS**

28 27. The parties understand and agree that this is a compromise settlement of disputed

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

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

25 29. Nothing in this Assurance limits Sprint's right, at its sole discretion, to provide  
26 refunds or credits to Consumers in addition to what is required in this Assurance. Further,  
27 nothing in any provision of this Assurance shall be read or construed to require Sprint (a) to  
28 share customer proprietary network information ("CPNI") with any person not legally entitled to

1 receive CPNI; (b) to share customer information in such way that it would violate any applicable  
2 law or privacy policy; or (c) to grant more than one full refund for any single Unauthorized  
3 Third-Party Charge. Sprint shall not amend its privacy policy to excuse its compliance with the  
4 reporting, tracking, or other provisions of this Assurance related to the sharing of customer  
5 information unless required by law.

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

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

27 32. Nothing herein shall prevent the Attorney General from agreeing in writing to  
28 provide Sprint with additional time beyond the ten (10) business day period to respond to the

1 notice provided under Paragraph 32.

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

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

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

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

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

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

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

6           40. This Assurance represents the full and complete terms of the settlement entered by  
7 the parties hereto.

8           41. All parties participated in the drafting of this Assurance.

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

11           43. All Notices under this Assurance shall be provided to the following address via First  
12 Class or Electronic Mail:

13  
14           John McGlamery  
15           Senior Deputy Attorney General  
16           100 North Carson Street  
17           Carson City, NV 89701  
18           (775) 684-1169  
19           jmcglamery@ag.nv.gov

20  
21           \_\_\_\_\_

22           For the Attorney General

23  
24           Sprint General Counsel, Legal Department  
25           6200 Sprint Parkway  
26           Overland Park, Kansas 66251

27  
28           \_\_\_\_\_

29           For Sprint

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

1 Assurance.

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

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

11 47. The parties understand that this Assurance shall not be construed as an approval  
12 of or sanction by the Attorney General of Sprint's business practices, nor shall Sprint represent  
13 the decree as such an approval or sanction. The parties further understand that any failure by  
14 the Attorney General to take any action in response to any information submitted pursuant to  
15 the Assurance shall not be construed as an approval, or sanction, of any representations, acts  
16 or practices indicated by such information, nor shall it preclude action thereon at a later date.

17 48. Sprint shall not participate, directly or indirectly, in any activity or form a separate  
18 entity or corporation for the purpose of engaging in acts or practices in whole or in part in the  
19 State of Nevada that are prohibited by this Assurance or for any other purpose that would  
20 otherwise circumvent any term of this Assurance. Sprint shall not cause, knowingly permit, or  
21 encourage any other persons or entities acting on its behalf, to engage in practices from which  
22 Sprint is prohibited by this Assurance.

23 49. If the Attorney General determines that Sprint made any material  
24 misrepresentation or omission relevant to the resolution of this investigation, the Attorney  
25 General retains the right to seek modification of this Assurance.

26 50. In the event that any statute or regulation pertaining to the subject matter of this  
27 Assurance is modified, enacted, promulgated, or interpreted by the federal government or any  
28 federal agency, such as the FCC, such that Sprint cannot comply with both the statute or

1 regulation and any provision of this Assurance, Sprint may comply with such statute or  
2 regulation, and such action shall constitute compliance with the counterpart provision of this  
3 Assurance. Sprint shall provide advance written notice to the Attorney General of Vermont of  
4 the inconsistent provision of the statute or regulation with which Sprint intends to comply under  
5 this Paragraph, and of the counterpart provision of this Assurance that conflicts with the statute  
6 or regulation.

7 51. In the event that any statute or regulation pertaining to the subject matter of this  
8 Assurance is modified, enacted, promulgated or interpreted by a Participating State, such that  
9 the statute or regulation is in conflict with any provision of this Assurance, and such that Sprint  
10 cannot comply with both the statute or regulation and the provision of this Assurance, Sprint  
11 may comply with such statute or regulation in the Participating State, and such action shall  
12 constitute compliance with the counterpart provision of this Assurance. Sprint shall provide  
13 advance written notice to both the Attorney General of Vermont and the Attorney General of  
14 the Participating State, of the inconsistent provision of the statute or regulation with which  
15 Sprint intends to comply under this Paragraph, and of the counterpart provision of this  
16 Assurance that is in conflict with the statute or regulation.

17 52. To seek a modification of this Assurance for any reason other than that provided for  
18 in Paragraphs 51 or 52 of this Assurance, Sprint shall send a written request for modification to  
19 the Attorney General of Vermont on behalf of the Participating States. The Participating States  
20 shall give such petition reasonable consideration and shall respond to Sprint within thirty (30)  
21 days of receiving such request. At the conclusion of this thirty (30) day period, Sprint reserves  
22 all rights to pursue any legal or equitable remedies that may be available to it.

23 53. To the extent that any of the provisions contained herein permit implementation  
24 beyond the Effective Date, the parties have agreed to the delayed implementation of such  
25 provisions based on Sprint's representation that it is currently unable to meet the requirements  
26 of such provisions and that it needs the additional specified time to develop the necessary  
27 technical capabilities to come into compliance with the requirements of such provisions. Sprint  
28 agrees to make good-faith and reasonable efforts to come into compliance with any such

1 provisions prior to the implementation dates set by such provisions to the extent commercially  
2 practicable.

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

5 55. Sprint expressly understands and acknowledges that under the provisions of NRS  
6 599.0999, this Assurance of Discontinuance constitutes a Court Order, and that a failure to  
7 comply with the terms of this Assurance of Discontinuance may subject SPRINT  
8 CORPORATION to civil penalties of up to \$10,000 per violation

9 56. Sprint waives any further notice of submission to and filing of this Assurance with  
10 the Court.

11 IT IS SO STIPULATED AND AGREED.

12 ADAM PAUL LAXALT  
13 Attorney General

14 DATED: May 12, 2015

BY:

15   
16 John R. McGlamery  
17 Senior Deputy Attorney General

18 SPRINT CORPORATION

19 DATED: May 6, 2015

BY:

20   
21 Kevin McGinnis  
22 Vice President  
23 Sprint / Pinsight Media+  
24  
25  
26  
27  
28