

STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

STATE OF WISCONSIN
17 West Main Street
Post Office Box 7857
Madison, Wisconsin 53707-7857,

FILED

MAR 7 2017

DANE COUNTY CIRCUIT COURT

Plaintiff,

v.

Case No. 2017-CX- 2

Complex Forfeiture: 30109

DIRECTV, LLC,
2260 East Imperial Highway.
El Segundo, California 90245,

Defendant.

CONSENT JUDGMENT

Upon the agreement of the parties, who wish to resolve all matters in dispute in this action without trial or final adjudication of any issue of fact or law, the Court now enters judgment against the defendant DIRECTV, LLC ("DIRECTV"), on the following terms:

INJUNCTION

Pursuant to Wis. Stat. § 100.20(6), the defendant is enjoined from violations of Wis. Admin. Code ATCP §§ 123.04 and 123.10 as follows:

1. Except as limited by Wis. Admin. Code ATCP § 123.04(2), whenever DIRECTV increases prices on television programming offerings that are subject to an early termination fee (or other fees such as the "Disconnect Fee" or "Change of

Service Fee,” DIRECTV shall provide each affected Wisconsin customer a written notice that identifies all television programming offerings that will be affected by the price increase, the effective date of the price increase, and the new price for each such television programming offering. (This shall be referred to herein as the “Price Increase Disclosure”). No notice is required if a customer’s specific programming package does not experience a price increase.

2. In every notice sent by DIRECTV pursuant to paragraph (1) above, DIRECTV shall also include the following statement: “As a DIRECTV customer with service in WI, you may cancel any television programming offering affected by a price change, without incurring an early termination fee or Disconnect Fee or Change of Service Fee. To cancel, call [insert: customer service number] before [insert: date 30 days subsequent to effective date of price increase].” (This is referred to herein as the “Cancellation Disclosure”).

3. In every notice sent by DIRECTV pursuant to paragraph (1) above, the Cancellation Disclosure shall immediately follow the Price Increase Disclosure in the notice, and shall be in a font size no smaller than the average of the font sizes used for all other text in the notice.

4. Wisconsin subscribers who call DIRECTV to cancel the television programming offerings for which notice shall be provided pursuant to paragraph (1) above within 30 days after the effective date of the price increase must be permitted to cancel without payment of an early termination fee.

5. DIRECTV shall implement a process for Wisconsin subscribers who contact DIRECTV to invoke their choice under paragraph (4) above, to directly call DIRECTV telephone agents who have the authority to effectuate the cancellation, or will immediately transfer the call to an agent empowered to effectuate the cancellation upon learning about the consumer's intent to cancel.

6. DIRECTV shall include information about the Wisconsin Price Increase Disclosure and Cancellation Disclosure in training provided to DIRECTV telephone agents.

FORFEITURE

DIRECTV shall pay the sum of \$292,500 within 60 days of the date of entry of this *Consent Judgment* to the Clerk of the Dane County Circuit Court. Pursuant to Wisconsin statutory requirements, the amount shall be apportioned by the Clerk as follows:

- a) a civil forfeiture of \$192,341.78 pursuant to Wis. Stat. § 100.26(6);
- b) a penalty surcharge of \$50,008.86 pursuant to Wis. Stat. § 757.05 (26 percent of forfeiture);
- c) a consumer protection surcharge of \$48,085.44 pursuant to Wis. Stat. § 100.261 (25 percent of forfeiture);
- d) a jail surcharge of \$1,923.42 pursuant to Wis. Stat. §302.46 (1 percent of forfeiture);
- e) a crime laboratories and drug enforcement surcharge of \$26 pursuant to Wis. Stat. § 165.755 (\$13 per count in the *Complaint*);

- f) a court fee of \$25 pursuant to Wis. Stat. § 814.63;
- g) a court support services surcharge of \$68 pursuant to Wis. Stat. § 814.85; and
- h) a justice information system surcharge of \$21.50 pursuant to Wis. Stat. § 814.86.

CONSUMER PAYMENTS

Within 90 days of the entry of this *Consent Judgment*, DIRECTV shall give each of its then-current Wisconsin customers who were affected by one or more price increases to their television core programming packages that went into effect between January 2010 and the date this *Consent Judgment* is entered, and who were subject to an early termination fee at the time of the price increase, a credit of \$4.25 to their accounts. This credit shall not be dependent upon nor otherwise tied to any action or inaction on the part of the customer. DIRECTV may identify the credit on the bills as "WI Settlement Credit."

COSTS OF INVESTIGATION

DIRECTV shall pay the Wisconsin Department of Justice ("DOJ") \$3,528 within 60 days of the date this *Consent Judgment* is entered, as reimbursement of the State's costs of investigation of this matter. Of that amount, DOJ shall remit \$1,201.21 to the Department of Agriculture, Trade and Consumer Protection to reimburse that agency for its costs of investigation pursuant to Wis. Stat. § 93.20. DOJ shall retain the remainder to cover its costs of investigation pursuant to Wis. Stat. § 100.263.

RELEASE

Pursuant to the parties' agreement, upon payment of the forfeiture and consumer payments described above, the State of Wisconsin releases and forever discharges DIRECTV and all of their past and present owners, directors, divisions, principals, employees, officers, parents, predecessors, shareholders, subsidiaries, affiliates, successors, assigns and transferees from the following: all known and unknown claims, causes of action, damages, restitution, fines, costs, attorneys' fees, remedies, injunctive relief, and/or penalties that were or could have been asserted against DIRECTV by the State of Wisconsin resulting from DIRECTV's price increases or any alleged violations of Wis. Admin. Code ATCP §§ 123.04 and 123.10 from the beginning of time up to and including the date of entry of this *Consent Judgment*.

The parties, by and through their counsel, have agreed that entry of this *Consent Judgment* (1) fully and finally resolves all issues between them arising from or related to the claims or allegations made in the *Complaint* for all time periods up to the date of entry of this *Consent Judgment* and (2) precludes further litigation between the State of Wisconsin and DIRECTV on the resolved issues except for purposes of enforcing or collecting on this *Consent Judgment*.

CONTINUING JURISDICTION

Jurisdiction is retained by this Court solely for the purpose of enabling any party to request enforcement of the terms of this *Consent Judgment* as permitted by law. If the State of Wisconsin determines that DIRECTV has failed to comply with

any terms of this *Consent Judgment*, the State agrees not to initiate any action or proceeding against DIRECTV for DIRECTV's alleged non-compliance without the State first notifying DIRECTV in writing and permitting DIRECTV the opportunity to respond or cure the alleged non-compliance. DIRECTV will have ten (10) business days from receipt of such written notice to provide a written response to the DOJ.

CHANGE IN LAW AND TERMINATION

If any Injunction provision of this *Consent Judgment* comes into conflict with any newly enacted law or change in any existing law or there are any other reasons that may be appropriate under the circumstances, the Injunction provisions of this *Consent Judgment* may be modified with the express written consent of the parties. If one party proposes a revision and the other party objects, the proposing party may file a motion with the Court for modification of this *Consent Judgment*.

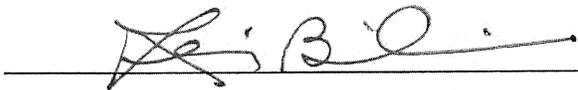
The Injunction provisions of this *Consent Judgment* will terminate three (3) years from the date of entry of this *Consent Judgment*. The termination of the Injunction provisions at that time shall not be construed as relieving or permitting DIRECTV to violate any applicable requirement of Wisconsin Statutes or Administrative Code.

NO ADMISSION OF WRONGDOING

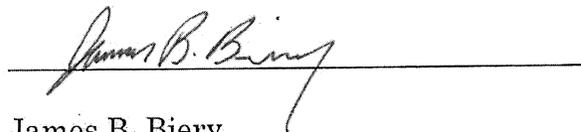
State of Wisconsin acknowledges and agrees that DIRECTV has fully cooperated with the State of Wisconsin in its inquiries related to the *Complaint*.

DIRECTV and the State of Wisconsin acknowledge and agree that this is a compromise settlement of the disputed issues. By entering into this *Consent Judgment*, DIRECTV expressly denies the allegations contained in the State's *Complaint* and does not admit liability to or for any claim alleged in the State's *Complaint*, or to any violation of law or wrongdoing alleged by the State, and DIRECTV denies that it has violated any law or engaged in any unfair conduct, method of competition, or trade practice. This *Consent Judgment* does not constitute a finding of law or fact by this Court or that DIRECTV has engaged in any act or practice in violation of Wisconsin Statutes or Administrative Code. Neither the fact of, nor any provision contained in, this *Consent Judgment*, nor any action taken hereunder, shall constitute, or be construed in any pending or future litigation or other proceeding as an admission by DIRECTV (1) of the truth or falsity, or as evidence in support of, any claim or allegation heretofore made, or of any potential claim that could have been heretofore made; or (2) that it has violated or breached any law, statute, regulation, term, provision, covenant, or obligation of any agreement. It is the intent of the Parties that this *Consent Judgment* shall not be used as evidence or precedent in any action or proceeding except an action or proceeding to enforce or collect on this *Consent Judgment*.

Consented to by:



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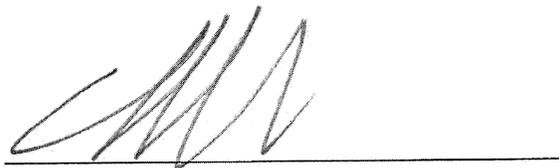
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Counsel for State of Wisconsin

Date: 3/1/17

Counsel for DIRECTV, LLC

Date: 2/24/17



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695 Town Center Drive
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Costa Mesa, CA 92626

Counsel for DIRECTV, LLC

Date: 2/24/17

IT IS SO ORDERED.

BY THE COURT:

Valerie L. Bailey-Rihn

Valerie L. Bailey-Rihn

Circuit Court Judge, Branch 3

Date: 3-7-17