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Attorney General Marshall Announces \$10.25 Million Settlement with Major Telephone Carriers Over Deceptive and Misleading Advertising

(Montgomery, Ala) – Alabama Attorney General Steve Marshall today announced a \$10.25 million settlement with AT&T Mobility, LLC, Cricket Wireless, LLC, T-Mobile USA, Inc., Cellco Partnership, d/b/a Verizon Wireless, and TracFone Wireless, Inc. (collectively, the “Wireless Carriers”), which resolves the state attorneys general investigations into the Wireless Carriers’ deceptive and misleading advertising practices. The State of Alabama will receive \$201,697.52 in attorneys’ fees and costs as part of the 50-jurisdiction settlements with the Wireless Carriers.

“Phones have become an indispensable part of our day-to-day lives, so when a product is advertised to have unlimited data, or a free phone, consumer interest is understandable. However, businesses are obligated to clearly disclose limitations, additional fees, and conditions which is why this settlement was necessary,” said Attorney General Marshall. “Our 50-state coalition establishes a settlement that includes assurances that will greatly benefit consumers throughout the state.”

The assurance terms are a key component of the settlements which address the common misleading advertising practices of the Wireless Carriers, including misrepresentations concerning: (1) “unlimited” data advertisements, which failed to clearly and conspicuously disclose material limitations; (2) “free” phone offers, which failed to clearly and conspicuously disclose material conditions; (3) monetary incentives to “switch” wireless networks, which failed to clearly and conspicuously disclose how the monetary incentives would be provided; and (4) wireless carrier plan comparisons, which failed to disclose material differences.

The assurance terms will, among other things, require the Wireless Carriers to:

- Make all future advertisements and representations **truthful, accurate and non-misleading**;
- Refer in marketing to “**unlimited**” mobile data plans only where such plans do not set any numerical limits on the quantity of data allowed during a billing cycle and clearly and conspicuously disclose any restrictions on data speed, as well as the triggers of such restrictions;
- Offer to pay for consumers to “**switch**” carriers only where they clearly and conspicuously disclose the type of fees and amounts that they will pay consumers,



the form and schedule that such payment will take and all material requirements that consumers must satisfy in order to qualify and receive such payment;

- Offer wireless **devices or services for “free”** or similar terms only where they disclose clearly and conspicuously all material terms and conditions that the consumer must meet in order to receive the “free” devices or services;
- Make offers to **lease wireless devices** only where it is made clear to the consumer that the consumer will be entering into a lease agreement;
- Make **representations that a consumer will save money** by purchasing its products or services only where it has a reasonable basis to do so based on comparisons with the prices of comparable goods or services of other providers, or where any material differences between those goods or services are clearly and conspicuously disclosed; and
- Appoint a dedicated employee to work with the attorneys general to address ordinary **complaints filed by consumers**;
- **Train** its customer service representatives who speak with consumers to comply with these terms and **implement and enforce a program to ensure compliance** with these terms.