

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

In the Matter of Frontier Communications Corporation, Frontier Communications of America, Inc., Frontier Communications of Minnesota, Inc., and Citizens Telecommunications Company of Minnesota, LLC d/b/a Frontier Communications

Case Type: Other Civil
(Consumer Protection)

Court File No. _____

ASSURANCE OF DISCONTINUANCE

WHEREAS, the State of Minnesota, by its Attorney General, Keith Ellison (“State”) conducted an investigation pursuant to Minnesota Consumer Protection Laws, including but not limited to Minnesota Statutes sections 325D.44 and 325F.69, regarding the promotion, advertisement, sales, billing and provision of internet and bundled internet-telephone services by Frontier Communications Corporation, Frontier Communications of America, Inc., Frontier Communications of Minnesota, Inc., and Citizens Telecommunications Company of Minnesota, LLC d/b/a Frontier Communications (collectively, “Frontier”);

WHEREAS, on March 22, May 4, and September 24, 2018, the State served Civil Investigative Demands upon Frontier related to the State’s investigation, to which Frontier provided responsive information and documents;

WHEREAS, over the last one year Frontier and the State have had ongoing discussions related to the State’s investigation and potential resolution;

WHEREAS, On April 14, 2020, Frontier and all of their affiliates filed petitions for relief under Chapter 11 of the United States Bankruptcy Code (“Bankruptcy Code”) in the Bankruptcy Court for the Southern District of New York (“Bankruptcy Court”), entitled *In re: Frontier Communications Corporation* and assigned Case Number 20-22476 (RDD) (“Frontier Bankruptcy Case”);

WHEREAS, on May 22, 2020, Frontier filed an application with the Minnesota Public Utilities Commission (“MPUC”) requesting that the MPUC approve the planned restructuring of Frontier to effectuate a pre-arranged plan of reorganization under Chapter 11 of the Bankruptcy Code pursuant to Minn. Stat. §§ 237.23 and 237.74, and any other applicable statutes or rules. The MPUC has opened a docket, PUC Docket Number: P405, P407, P5316/PA-20—504, to consider Frontier’s request for approvals of its proposed Chapter 11 restructuring (“MPUC Restructuring Request”);

WHEREAS, On May 26, 2020, the Bankruptcy Court approved that certain *Order Authorizing and Establishing Procedures for the Compromise and Settlement of De Minimis Claims* [Frontier Bankruptcy Case ECF 386] (the “Bankruptcy Settlement Approval Order”), whereby the Bankruptcy Court authorized Frontier to settle certain claims and causes of action brought by or against Frontier in a judicial, administrative, arbitral, or other action or proceeding, subject to the requirements specified in the Bankruptcy Settlement Approval Order;

WHEREAS, the State and Frontier (collectively, “Parties”) have agreed to resolve the State’s consumer protection claims arising from its investigation by entering into this Assurance of Discontinuance (“Assurance”); and

NOW, THEREFORE, in light of the foregoing, the State and Frontier hereby stipulate and agree pursuant to Minnesota Statutes section 8.31, subdivision 2 to entry of the following Assurance as set forth below:

FACTUAL ALLEGATIONS

1. As a result of the State’s investigation into Frontier’s business practices, which included reviewing complaints from past and current Frontier customers, the State alleges that, among other things, Frontier:

- a. Failed to fulfill sales discounts or otherwise billed customers higher rates than quoted during sales communications;
- b. Failed to disclose fees and surcharges when advertising and selling its goods and services;
- c. Billed customers for goods or services that were not ordered or delivered, not delivered as promised or were appropriately cancelled;
- d. Changed the amounts of prices, fees or surcharges without adequate notice to or consent by customers;
- e. Improperly imposed early termination fees;
- f. Improperly imposed unreturned equipment fees on customers who had returned their equipment;
- g. Failed to provide customers with the maximum internet speed in the speed tier package to which they were subscribed; and
- h. Improperly advertised its internet speed as reliable while failing to ensure that all of its customers had sufficient bandwidth to consistently receive certain services, such as gaming or streaming.

2. The State alleges that the above-described alleged conduct violates Minnesota laws and regulations, including, but not limited to, Minnesota Statutes sections 325D.44 and 325F.69.

3. Frontier neither admits nor denies the State's findings. The State and Frontier agree that this Assurance does not constitute evidence or an admission regarding the existence or non-existence of any issue, fact, or violation of any law alleged by the State. Frontier is entering into this Assurance as a settlement of disputed claims and to avoid further inconvenience and costs

of potential litigation. Neither the settlement of the investigation nor any acts performed in furtherance of this Assurance shall be deemed an admission of or evidence of any alleged wrongdoing, liability, commission or omission by Frontier in any civil, criminal, administrative or arbitration proceeding.

DEFINITIONS

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

4. “Clearly and conspicuously” means that the statement, representation or term being disclosed is of such size, color, contrast, and/or audibility and is so presented as to be readily noticed and understood by the person to whom it is being disclosed. If such statement is necessary as a modification, explanation or clarification to other information with which it is presented, it must be presented in close proximity to the information it modifies, in a manner so as to be readily noticed and understood. In addition to the foregoing, in interactive online media, the disclosure shall also be presented prior to the consumer incurring any financial obligation.

5. “Congestion report” means Frontier’s “Monthly DSLAM Congestion Report,” which provides congestion information for all DSLAM uplinks and the circuits that affect more than one DSLAM, including Host, Aggregator, and BRAS uplinks.

6. “DSLAM” means a digital subscriber line access multiplexer, which is a network device that receives signals from multiple DSL connections and transmits those signals to a backbone line.

7. “Effective Date” means the date the Ramsey County District Court issues its Order approving this Assurance, which will occur after the Bankruptcy Court approval of this Assurance pursuant to the Bankruptcy Approval Settlement Order.

8. “Frontier” means Frontier Communications Corporation, its operating subsidiaries Frontier Communications of America, Inc., Frontier Communications of Minnesota, Inc. and Citizens Telecommunications Company of Minnesota, LLC d/b/a Frontier Communications, together with its affiliates, subsidiaries, successors and any other related entity that is formed, organized or structured through any bankruptcy proceeding (regardless of organizational identity, form of doing business, organizational structure, affiliations, ownership, or management composition) that acts in concert or participation with Frontier in the promotion, advertisement, sales, billing and provision of Frontier’s internet and bundled internet-telephone service to Minnesota consumers. The Parties intend and agree that the term “Frontier” applies to and includes Frontier Communications Corporation, its operating subsidiaries Frontier Communications of America, Inc., Frontier Communications of Minnesota, Inc. and Citizens Telecommunications Company of Minnesota, LLC d/b/a Frontier Communications any and all successors thereto by merger, consolidation, conversion or otherwise and having the rights, powers, duties and interests granted to the “Reorganized Debtor(s)” having plans of reorganization confirmed under Chapter 11 of the Bankruptcy Code.

9. “New Customer” means any customer with a Minnesota service address that purchases any Frontier residential internet service (“Internet Service”) or bundled Internet Service and telephone service (“Bundled Service”) after the Effective Date of this Assurance. The term New Customer includes any current or past Frontier customer with a Minnesota service address that purchases any Frontier Internet Service or Bundled Service after the Effective Date of this Assurance.

10. “Provision” or “provisioning” refers to the network setting of the maximum speed at which a consumer’s Internet Service will be set, i.e., the maximum speed a consumer’s Internet Service will be capable of achieving.

INJUNCTIVE RELIEF

Frontier, including its principals, officers, directors, employees, agents, independent contractors, affiliates, subsidiaries, successors, and those acting in concert or participation with Frontier who receive actual notice of this Assurance, shall comply with the following terms and provisions:

11. Frontier shall not make any false statement of material fact, nor shall Frontier omit any material fact, in connection with Frontier’s promotion, advertisement, sales, billing and provision of Internet Service or Bundled Service to a Minnesota consumer. The terms “Internet Service” and “Bundled Service” also refer to any goods or equipment purchased or leased in connection with such services.

A. Sales Practices & Customer Disclosures

12. For sales of its Internet Service or Bundled Service, Frontier shall accurately and in a clear and conspicuous manner disclose all material terms and conditions of its offers to Minnesota consumers at the time of sale. These terms and conditions include, but are not limited to, the following where applicable:

- a. The monthly base price of the Internet Service or Bundled Service the consumer purchases;
- b. The estimated amount of taxes, fees or other recurring charges that will appear on the customer’s first invoice. Frontier may refer the customer to

his or her first invoice for an itemization of each of these applicable taxes, fees or other recurring charges;

- c. The estimated amount of each one-time fee, or fee charged only on the customer's first invoice, for the purchased Internet Service or Bundled Service, including, but not limited to, activation and installation fees and equipment purchases;
- d. The estimated amount of the first invoice that includes the customer's new Internet Service or Bundled Service. If this amount does not include taxes, Frontier shall disclose that the amount does not include taxes. In addition to this quoted amount, Frontier shall also disclose that the first invoice may also include prorated charges from the date the Internet Service or Bundled Service starts to the next billing cycle;
- e. The estimated recurring total cost (which, at Frontier's discretion, may include or exclude taxes) of the Internet Service or Bundled Service the consumer purchases, starting with the second invoice. If the recurring total cost does not include taxes, Frontier shall disclose that the quoted amounts do not include taxes. In calculating the estimated recurring total cost, Frontier shall include the estimated amount(s) disclosed in paragraphs 12(a) through 12(c) of this Assurance;
- f. The time period for which the quoted prices apply, or if any of the quoted base prices, fees, or surcharges may increase after the first invoice, a general statement that Frontier does not guarantee the particular quoted base price, fee, or surcharge for any additional length of time;

- g. Any restrictions or conditions on a consumer's ability to receive the quoted price(s) or discount(s);
- h. Any applicable early cancellation fee(s); and
- i. If applicable, that the consumer will be charged for failing to return any leased or rented equipment, and the amount of the charge(s).

13. Within three business days after a customer places an order for Internet Service or Bundled Service, Frontier shall send the customer an order confirmation via regular mail, email, or other electronic communication that clearly and conspicuously sets forth the information disclosed in paragraph 12 of this Assurance, identifying the amounts the customer is expected to be charged by Frontier. The written communication shall be identified as an "Order Confirmation" in the title, subject line, or at the beginning of the communication. The requirements in this paragraph shall take effect within 150 days of entry of this Assurance. If a customer cancels an existing order between the date of the customer's Internet Service or Bundled Service order and before the Internet Service or Bundled Service installation date and places a new order, Frontier shall send the consumer an updated order confirmation within three (3) business days. If a customer makes changes to their Internet Service or Bundled Service order at the time of or in conjunction with the installation, no order confirmation will be required for the changes to the Internet Service or Bundled Service order.

14. In the written disclosure described in paragraph 13 and in all invoices it sends to consumers, Frontier shall provide the mailing address and toll-free telephone number that a consumer may use to contact Frontier with complaints or concerns regarding the information disclosed in paragraphs 12 or 13 of this Assurance. Frontier shall also provide this mailing address and toll-free telephone number on each invoice it sends to a Minnesota consumer.

15. Other than taxes or government based surcharges or fees passed on to a third party, Frontier shall not charge any New Customer any amount greater than the amount Frontier disclosed to the consumer in accordance with paragraph 13 of this Assurance. Frontier shall not charge any New Customer a cancellation fee unless Frontier discloses the existence of the cancellation fee at the time of sale in accordance with paragraphs 12 or 13 of this Assurance, and also at the time the consumer cancels the Internet Service or Bundled Service in circumstances in which the consumer contacts Frontier to cancel such service. Frontier shall not charge any New Customer an unreturned equipment fee unless Frontier discloses the existence of the unreturned equipment fee at the time of sale in accordance with paragraphs 12 or 13 of this Assurance, and also at the time the consumer's Internet Service or Bundled Service is cancelled in circumstances in which the consumer contacts Frontier to cancel such service.

B. Internet Infrastructure Surcharge

16. Frontier shall not charge any Minnesota consumer for the Internet Infrastructure Surcharge for any order placed 120 or more days after the Effective Date of this Assurance. Within twelve (12) months of the Effective Date of this Assurance, Frontier shall discontinue billing Minnesota customers a separate Internet Infrastructure Surcharge. Beginning twelve (12) months of the Effective Date of this Assurance, Frontier shall not charge any Minnesota consumer for any Internet Service fee or Internet Service surcharge similar to any Internet Infrastructure Surcharge, meaning any Internet Service fee or Internet Service surcharge that is (i) not passed on to a third party (e.g. paid to government entities); (ii) not specifically authorized by law or regulation; or (iii) not for payment of additional goods or services (e.g. a modem rental fee).

C. Frontier Advertisements

17. No later than 120 days after the Effective Date of this Assurance, if Frontier advertises an available price for Internet Service or Bundled Service and charges any related fees or surcharges in addition to the advertised price, the existence of those fees or surcharges must be disclosed in the main text of the advertisement (e.g., “additional fees and surcharges apply” or “excludes fee and surcharges”). In addition, for Frontier fees or surcharges that are not prohibited by paragraph 16 and are not: (i) passed on to third parties (e.g., taxes paid to government entities); (ii) specifically authorized by law or regulation; or (iii) for additional services or goods (e.g., a modem rental fee) (collectively, “Specifically Disclosed Fees and Surcharges”), additional disclosure requirements apply. Specifically, Frontier shall clearly and conspicuously disclose the name and nature or purpose of a Specifically Disclosed Fee or Surcharge.

18. Frontier shall record and retain for at least two (2) years the entirety of each telephone call with a Minnesota consumer regarding the offer or sale of its Internet Service or Bundled Service. Frontier shall inform each consumer at the beginning of the call that the call is being recorded. Frontier shall also retain for at least two years all of its written correspondence with Minnesota consumers regarding the offer or sale of its Service(s), and any complaint or concern directly related thereto, including, but not limited to, emails and on-line chats. Frontier shall require any third-party vendor it utilizes to communicate with consumers to comply with this paragraph.

D. Advertising Internet Speeds & Reliable Access to Online Content and Services

In all advertising of Internet Service and Bundled Service speeds, Frontier shall:

19. Make clear and conspicuous disclosures that comply with applicable Federal Trade Commission regulations and Minnesota law.

20. If applicable, describe the offered product speed as “wired” and provide a link or a website location to a clear and conspicuous disclosure that: (a) the maximum speed in a tier is the highest speed a consumer could obtain; (b) average speed may be slower; and (c) actual speed is subject to multiple factors.

21. Clearly and conspicuously, and in proximity to the offered wired product speed, state that WiFi speeds may vary.

22. Provide a link or a website location to a clear and conspicuous disclosure that actual internet speed experienced in the home environment might vary as a result of: (a) the effect of WiFi; (b) multiple users on the same account; (c) device limitations; and/or (d) network congestion.

23. For television and radio ads that identify specific internet product speeds, clearly and conspicuously disclose that the advertised speeds may not be available in a consumer’s area.

24. For internet ads that appear when a consumer has provided his or her address, Frontier shall not advertise specific speeds to consumers in excess of what is available in those consumers’ zip codes.

25. For internet ads, clearly and conspicuously disclose that speeds may vary based on the consumer’s physical location.

26. For mailer advertisements, Frontier shall not advertise speeds in excess of what is available, based on consumers’ geographic areas or neighborhoods, to the consumers who receive such advertisements.

27. For all New Customers, clearly and conspicuously disclose, at or before the point of sale, the range of speeds the customers are likely to receive, and the impact such speeds may have on access to various online content and services, e.g., streaming or gaming. Within 10 business days of enrolling new Internet Service or Bundled Service customers, Frontier shall provide a written notice to such customers that clearly and conspicuously discloses the speed at which the customers are provisioned and, in conjunction with such notice, shall offer its consumers who are provisioned at a speed less than the maximum speed of the range for the tier level they are subscribing to or higher the options to: (a) continue with their current Internet Service or Bundled Service plan; (b) discontinue Internet Service or Bundled Service with no additional fee or charge for installation; or (c) migrate to a different Internet Service or Bundled Service package with a lower service speed.

28. In all advertising of Internet Service or Bundled Service speed, where internet product speeds for particular speed tiers are specified, including but not limited to communications with existing customers, Frontier shall specify the range of speeds available for that tier, e.g., “6.1 Mbps to 12 Mbps download.”

29. If Frontier advertises “reliable” access to particular online content and services (e.g., streaming), it shall clearly and conspicuously disclose limitations on Frontier’s Internet Service or Bundled Service and that they may be an impact on customers’ ability to access such content.

30. Frontier shall continue to generate its internal congestion reports on a monthly basis.

31. For existing customers served by DSLAMs for which Frontier’s internal congestion reports indicate “Critical” for any consecutive 3-month period, Frontier shall issue a

written notice to those customers informing them of: (a) the speed at which they are provisioned; (b) the speeds they are likely to achieve; and (c) that the limitations of those speeds may impact various online content and services, e.g., streaming or gaming. Such notice shall be in the form of a separate mailing to each customer and an email to each customer for whom Frontier has an email address. In conjunction with this notice, Frontier shall offer such customers the option to discontinue Internet Service or Bundled Service with no additional fee. Frontier shall not alter the criteria needed for a DSLAM to be classified as “Critical.”

32. Should any consumers wish to subscribe to Frontier’s Internet Service or Bundled Service that will be serviced by a DSLAM area in which Frontier’s internal congestion reports indicate “Critical” for any consecutive 3-month period, Frontier shall provide additional clear and conspicuous disclosures that various factors may impact Frontier’s Internet Service or Bundled Service in that DSLAM area.

33. Frontier shall not unilaterally discontinue Internet Service or Bundled Service to consumers solely on account of entering into this Assurance.

E. Substantiating Advertised Internet Speeds

34. No later than 120 days after the Effective Date of this Assurance, Frontier shall issue a written notice to each of its current customers who is provisioned at less than 100% of the maximum speed of the range for the customer’s speed tier. Such notice shall be in the form of a separate mailing to each customer or an email to each customer for whom Frontier has an email address. Such notice shall inform Internet Service and Bundled Service customers of the speed at which they are provisioned, the range of speeds they are likely to achieve, and the impact such speeds may have on their access to various online content and services, e.g., streaming or gaming. In conjunction with such notice, Frontier shall offer its consumers the

options to: (a) continue with their current Internet Service or Bundled Service plan; (b) discontinue Internet Service or Bundled Service with no additional fee; or (c) migrate to a different Internet Service or Bundled Service package with a lower service speed.

35. Beginning 120 days after the Effective Date of this Assurance, or later, if any customers contact Frontier to inquire about their provisioned internet speeds, Frontier shall disclose the speed at which the customers are provisioned and, for customers who are provisioned at a speed less than the maximum speed of the range for the tier level they are subscribing to or higher, Frontier shall offer such customers the options to: (a) continue with their current Internet Service or Bundled Service plan; (b) discontinue Internet Service or Bundled Service with no additional fee; or (c) migrate to a different Internet Service or Bundled Service package with a lower service speed. For purposes of this paragraph, a customer inquiry “about their provisioned internet speeds” shall be interpreted broadly to include any and all attempts by a customer to ask Frontier why they are not receiving the maximum internet speed for their tier level.

36. Frontier shall provision customers subscribing to new Internet Service or Bundled Service at a minimum of 90% of the maximum speed of the range for the tier level they are subscribing to or higher. If such customers cannot be provisioned at 90% of the maximum speed of the range for the tier level they are subscribing to or higher, Frontier shall notify customers that they cannot be provisioned at 90% or higher and Frontier shall offer to move customers to the next lower product tier in which they can be provisioned at 90% or higher of the maximum speed of the range for the tier.

37. Should any consumers wish to subscribe to Frontier’s Internet Service or Bundled Service in an area served by a DSLAM in which Frontier will provision them at 3 Mbps or

lower, Frontier shall clearly and conspicuously disclose the limitations on its Internet Service or Bundled Service and that such limitations may impact the consumers' ability to "stream" services.

38. Beginning 12 months and concluding 36 months after the Effective Date of this Assurance, Frontier shall credit one half the monthly Internet Service or Bundled Service charges to individual customers for all months in which (i) Frontier fails to provision such customers at least 90% of the highest speed of the range of the tier level to which they are subscribed unless the customer has been advised in writing of the option to subscribe to a lower speed tier and elected not to subscribe to the lower speed tier level service or (ii) Frontier fails to provision such customer at least 100% of the speed at which they were informed they were provisioned.

39. The customer credits described in paragraph 38 are not fines, penalties or disgorgements of funds. Frontier further stipulates that such customer credits are injunctive, as opposed to monetary, relief and further waives any right to contend otherwise in any future bankruptcy or other action in state, federal, administrative and/or bankruptcy court or tribunal.

F. Capital Expenditure Commitments

40. Frontier agrees to make an investment of \$10,000,000 in capital expenditures to provide or enhance internet services in Minnesota over the four-year period following the Effective Date of this Assurance, in addition to the Frontier expenditures to fulfill: (a) the Federal Communications Commission's Connect America Fund build out requirements; (b) any State or local government grant for internet broadband funding build out requirements; and (c) Frontier's existing franchise commitments in Minnesota. Such expenditures shall be made in furtherance of providing or improvement to internet service to locations that are not required

to fulfill build-out requirements of these subsidies and franchise commitments. With regard to Frontier's \$10,000,000 capital expenditure obligation, Frontier shall: (i) expend no less than \$3,000,000 within two years after the Effective Date; (ii) no less than \$5,000,000 within three years after the Effective Date; and (iii) no less than \$10,000,000 within four years after the Effective Date.

41. The \$10,000,000 investment described in paragraph 40 is not a fine, penalty or disgorgement of funds. Frontier further stipulates that such investment is injunctive, as opposed to monetary, relief and further waives any right to contend otherwise in any future bankruptcy or other action in state, federal, administrative and/or bankruptcy court or tribunal.

G. Training, Customer Service, Recordkeeping & Miscellaneous Practices

42. Frontier shall prepare and use training materials and a training program for its customer service representatives, field technicians, and sales force agents that accurately and comprehensively cover:

- a. the requirements of this Assurance, including both prohibited practices and affirmative requirements;
- b. the factors that can affect residential customer experience in the home, including the effects of WiFi and multiple users on experienced internet speed; and
- c. that Frontier customer service representatives, field technicians, and sales force agents may not suggest to customers or prospective customers that they need a particular higher speed for certain activities or applications, or that a particular speed is particularly well suited for certain activities or

applications, where lower speeds would suffice for such activities or applications.

- d. that Frontier customer service representatives, field technicians, and sales force agents may not suggest to customers that they need a particular higher speed for certain activities or applications, or that a particular speed is particularly well suited for certain activities or applications, when those customers are provisioned at a speed lower than the maximum speed available for their tier level.

COURT APPROVAL

43. This Assurance is subject to approval by the Bankruptcy Court. Following execution by both Frontier and the State, Frontier shall promptly, and in good faith, seek approval of this Assurance by the Bankruptcy Court consistent with the requirements in the Bankruptcy Settlement Approval Order. Frontier shall also work with the State to keep it informed of any objections Frontier receives during the course of the Bankruptcy Court approval process and collaborate with the State, in good faith, to resolve such objections. If for any reason this Assurance is not approved pursuant to the Bankruptcy Settlement Approval Order or by the Bankruptcy Court, this Assurance shall be null and void and the parties shall not be bound under the Assurance or any documents executed in connection therewith. Notwithstanding anything to the contrary herein, any authorized actions that Frontier takes pursuant to approved procedures for settlement of de minimis claims shall be deemed to be approved by the Bankruptcy Court under applicable law, and shall satisfy any requirements for Bankruptcy Court approval as provided in this Assurance.

44. Following Bankruptcy Court approval, the State shall promptly seek entry of this Assurance by the Ramsey County District Court.

MONETARY PAYMENT

45. Frontier shall pay and send by wire transfer to the State the sum of seven hundred fifty thousand dollars \$750,000 (the “Settlement Sum”) pursuant to Minnesota Statutes section 8.31 no later than thirty business days after the Effective Date of this Assurance. Any or all portion of the Settlement Sum may be used for any lawful purpose in the State’s sole discretion pursuant to Minnesota Statutes section 8.31, including for payment to a settlement administrator. Any remaining funds shall be remitted to the Treasury of the State of Minnesota pursuant to Minnesota Statutes section 8.31.

STAYED CIVIL PENALTY

46. Frontier shall pay a stayed civil penalty of \$10,000,000 to the State upon application to the Court and a finding by the Court indicating that Frontier has violated the terms of this Assurance and Order by failing to timely make the investments or payment described in paragraphs 40 and 45. If the State believes that Frontier has violated either of these provisions, prior to taking any action to enforce this paragraph 46, the State shall notify Frontier, identifying the alleged violations. Frontier shall have 30 days (“Cure Period”) to take action to cure the alleged violation and provide the State with a written explanation of the corrective actions taken. In the event the State contends that the alleged violation has not been cured following the Cure Period, the State may seek judicial enforcement of this paragraph 46, without Frontier having waived any defenses to any alleged breach. Notwithstanding and in addition to the foregoing, if Frontier fails to timely make the investments and payments described in paragraphs 38, 40, and/or 45, the State reserves the right to seek specific performance of the such investments and/or payments.

47. The State has determined to suspend the penalty based upon, among other things, the financial results that appear in Frontier's Forms 10-K and 10-Q, including Frontier's most recent 10-K dated March 31, 2020 as well as the pending Frontier Bankruptcy Case.

ENFORCEMENT AND COMPLIANCE

48. Frontier shall not violate any provision of this Assurance. If the State believes that Frontier has violated any provision of this Assurance, the State will notify Frontier in writing of such failure to comply and Frontier shall have thirty days to provide a good faith written response to the State, including either a statement that Frontier believes it is in full compliance or otherwise a statement explaining how the violation occurred, how it has been addressed or when it will be addressed, and what Frontier will do to make sure the violation does not happen again. If the State still believes that Frontier has violated this Assurance, the State may file a Motion to Enforce this Assurance consistent with the requirements of Rule 115 of the General Rules of Practice.

49. If the Court finds by a preponderance of the evidence that Frontier has violated a material provision of this Assurance, the Court may award such relief as permitted by Minnesota Statutes section 8.31 to deter future violations of this Assurance.

50. On the first and third anniversaries of the Effective Date of this Assurance, Frontier must submit compliance reports, sworn under penalty of perjury by an individual or individuals with authority to bind Frontier, regarding its compliance with the provisions of this Assurance during the period covered by each report. The compliance reports must:

- a. Identify the primary postal and email address and telephone number, as designated points of contact, which the State may use to communicate with Frontier in connection with this Assurance;

- b. Identify all of Frontier's business entities that offer goods and services to Minnesota consumers by their names, telephone numbers, and physical, postal, email, and internet addresses;
- c. Describe the activities of each such business entity, including the goods and services offered and the means of advertising, marketing, and sales;
- d. State whether Frontier is in compliance with this Assurance;
- e. Describe the policies, procedures, and controls Frontier has instituted that are designed to ensure that Frontier's advertising and sale of goods and services do not make any false or misleading statement of material fact or omit any material fact.
- f. Describe all billing issues, errors and discrepancies related to Internet Service or Bundled Service that result in overcharges of \$25 or more to more than 500 Minnesota consumers, including, for each error or discrepancy a description of: (i) the nature and cause of the issue, error or discrepancy; (ii) all steps taken to remediate the issue, error or discrepancy; and (iii) all steps take to communicate the details of the issue, error or discrepancy to Minnesota consumers and provide any necessary refunds or credits.
- g. Describe the policies, procedures, and controls Frontier has established that are designed to ensure that customer service representatives do not make any false or misleading statements to Minnesota consumers about the price of Frontier's goods or services, including: (i) trainings provided to customer service representatives and their supervisors; and (ii) the

quality assurance measures used by Frontier to monitor the performance of customer service representatives.

- h. A report and representative copy of all notices that were sent to customers in accordance with this Assurance;
- i. A report and representative copy of all disclosures provided to customers in accordance with this Assurance;
- j. A summary of all training activity that took place as mandated by this Assurance, including a representative copy of training materials;
- k. A summary of each DSLAM that was deemed to be at a congestion level of “Critical” for any consecutive 3-month period, and the remedial measures taken in response;
- l. Capital expenditures that were made during the reporting period, including amount spent, location where spent, capital improvements that were made, and a summary of the effect of such improvements on the number of consumers receiving new or improved internet service;
- m. A summary of all customer credits that were issued in accordance with this Assurance; and
- n. A representative sample of all advertising of internet speed and/or reliability made during the reporting period.

51. Frontier must create and retain the following records in connection with the advertisement and sale of its good and services to Minnesota consumers after entry of this Assurance and retain such records for four (4) years:

- a. All written records of consumer complaints, whether received directly by Frontier from a consumer or received indirectly by Frontier from government agencies or the Better Business Bureau related to the issues addressed in this Assurance, and shall include, but not be limited to, available Minnesota consumer contact information, date of complaint, source of complaint, category of complaint, and the outcome of the complaint;
- b. All records necessary to demonstrate full compliance with each provision of this Assurance, including all submissions to the State; and
- c. A copy of each unique advertisement or other marketing material created, produced, or approved by Frontier that was disseminated to Minnesota consumers.

GENERAL TERMS

52. Except as otherwise specifically stated herein, all provisions of this Assurance take effect immediately upon entry of this Assurance and shall remain in effect for five (5) years. The State may move the Court to extend the duration of the Assurance in the event of noncompliance with any of its terms or if it believes the interests of justice so require.

53. Nothing in this Assurance shall relieve Frontier of its obligation to comply with all applicable Minnesota laws and regulations and to comply with other obligations imposed by any applicable state or federal law or regulation or other applicable law.

54. In consideration of the stipulated relief, the sufficiency of which is acknowledged by the State, the Office of the Attorney General agrees that the stipulated relief to be provided by Frontier under the Assurance resolves any concerns or issues the Office of Attorney General has

or may have in regards to approval by the MPUC of Frontier's MPUC Restructuring Request and will not file comments or otherwise oppose or seek dismissal, denial or the imposition of any additional conditions on Frontier related to the MPUC Restructuring Request. The State further agrees to release any and all claims against Frontier including its partners, directors, principals, officers, employees, subsidiaries, affiliates, divisions, predecessors, successors, assigns, attorneys, stockholders, accountants, auditors, advisors, trustees, administrators, fiduciaries, consultants, representatives, insurers, and agents in their respective capacities, which arise from or relate to the subject matter of its investigation and this Assurance and are based on conduct that occurred prior to the Effective Date of this Assurance. Should Frontier be declared in default under this Assurance, the Parties agree that any statutes of limitation or repose, or other time-related defenses, are tolled from and after the Effective Date of this Assurance. The State through this Assurance does not settle, release, or resolve any claim against Frontier or any other person or entity involving any private causes of action, claims, and remedies, including, but not limited to, private causes of action, claims, or remedies provided for under Minn. Stat. § 8.31. This release does not apply in any way to claims of any other Minnesota state agency, department, official, or division. Nothing in this Assurance shall be deemed to preclude the State's review of acts, practices, or courses of conduct that occur after the Effective Date of this Assurance.

55. Frontier shall provide a copy of this Assurance within 30 days of entry of this Assurance to all members of its leadership team. Frontier shall also provide notice of this Assurance to all of its officers, employees, agents, independent contractors, affiliates, subsidiaries, successors, and those acting in concert or participation with Frontier who are

reasonably expected to be involved in the implementation or compliance with the requirements set forth in this Assurance.

56. Frontier shall fulfill the terms of this Assurance, and all of Frontier's parents, subsidiaries, successors, officers, employees, agents, independent contractors, affiliates, and those acting in concert or participation with Frontier shall be bound by this Assurance so as to accomplish the full relief contemplated by this Assurance. The Parties intend for this Assurance to be binding on any and all successor entities that emerge from, or are formed as a result of, Frontier's bankruptcy protection. Frontier shall not affect any change in its form of doing business, organizational identity, organizational structure, affiliations, ownership, or management composition as a method or means of attempting to avoid the requirements of this Assurance.

57. This Assurance may be executed in counterparts, each of which constitutes an original, and all of which shall constitute one and the same agreement. This Assurance may be executed by facsimile or electronic copy in any image format.

58. The person signing this Assurance for Frontier warrants that they have been duly delegated authority to execute this Assurance, that Frontier has been fully advised by its counsel before entering into the Assurance, and that they execute this Assurance in an official capacity that binds Frontier and its successors.

59. This Assurance constitutes the full and complete terms of the agreement entered into by Frontier and the State.

60. The Ramsey County District Court shall retain jurisdiction over this matter for purposes of enforcing this Assurance.

61. Service of notices, reports, and other communications required by this Assurance must reference this Assurance, and shall be in writing and shall, unless expressly provided otherwise herein, be served on the following persons, or any person subsequently designated by the Parties to receive such notices by hand delivery; express courier; or electronic mail at an address designated in writing by the recipient, followed by postage prepaid mail, and shall be addressed as follows:

If to the State:

Ian Dobson
Assistant Attorney General
Office of the Minnesota Attorney General
445 Minnesota Street, Suite 1400
St. Paul, Minnesota 55101

If to Frontier:

General Counsel
Frontier Communications Corporation
401 Merritt 7
Norwalk, CT 06851

62. Either Parties' failure to exercise any rights under this Assurance shall not be deemed to be a waiver of any right or any future rights.

63. This Assurance, including any issues relating to interpretation or enforcement, shall be governed by the laws of the State of Minnesota.

64. Nothing in this Assurance shall be construed to limit the power or authority of the State of Minnesota or the Attorney General except as expressly set forth herein.

65. This Assurance is not intended for use by any third party in any other proceeding. Neither the settlement of the investigation nor any acts performed or documents executed in furtherance of this Assurance shall be deemed an admission of or evidence of any alleged

wrongdoing, liability, commission or omission by Frontier, in any civil, criminal, administrative or arbitration proceeding.

66. Each of the Parties is represented by counsel, participated in the drafting of this Assurance and agrees that the Assurance's terms may not be construed against or in favor of any of the Parties by virtue of draftsmanship.

67. Each of the Parties shall perform such further acts and execute and deliver such further documents as may reasonably be necessary to carry out this Assurance.

68. The Parties consent to entry of this Assurance, which shall constitute a final judgment as to the State's claims connected with or arising out of the State's investigation into Frontier in the above-captioned action.

69. Frontier represents and warrants that neither it nor its counsel has made any material representations to the State that are inaccurate or misleading. If any material representations by Frontier or its counsel are later found to be inaccurate or misleading, this Assurance is voidable by the State in its sole discretion.

70. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by Frontier in agreeing to this Assurance.

71. Frontier represents and warrants, through the signatures below, that the terms and conditions of this Assurance are duly approved. Frontier further represents and warrants that the signatory to this Assurance is a duly authorized officer acting at the direction of the Board of Directors of Frontier.

72. This Assurance may not be amended except by an instrument in writing signed on behalf of the Parties to this Assurance.

73. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, in the sole discretion of the State, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

74. The facts alleged in this Assurance will be taken as true, without further proof, in any subsequent civil litigation relating to the facts on which this Assurance is based, by or on behalf of the State, solely limited to a proceeding to enforce its rights to any payment or monetary judgment pursuant to this Assurance, such as a nondischargeability complaint in any bankruptcy case.

75. The facts alleged in this Assurance establish all elements necessary to sustain an action by the State pursuant to section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Assurance will have collateral estoppel effect for such purposes.

76. Frontier agrees that the Stayed Civil Penalty in paragraph 45 of this Assurance, if imposed by any court, represents a civil penalty owed to the State, is not compensation for actual pecuniary loss, and, therefore, is not subject to discharge under the Bankruptcy Code pursuant to 11 U.S.C. § 523(a)(7).

77. Frontier understands that if a Court of competent jurisdiction holds that Frontier has committed a violation of this Assurance, that such violation may subject Frontier to sanctions for contempt pursuant to Minn. Stat. § 8.31, subdivision 2b, and that the State may thereafter, in its sole discretion, initiate legal proceedings against Frontier for any and all violations of this Assurance.


78. Frontier shall not state or imply, directly or indirectly, that the State approved of, condones, or agrees with any conduct or actions by Frontier.

79. Frontier agrees that the State, consistent with the terms of this Assurance but without further notice to Frontier, may file this Assurance with the Ramsey County District Court on an *ex parte* basis, and that the Court may issue the Order below without further proceedings.

Dated: 6/18/2020

Dated: 6/19/2020

KEITH ELLISON
Attorney General
State of Minnesota



MAX KIELEY
Assistant Attorney General
Atty. Reg. No. 0389363

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FRONTIER COMMUNICATIONS
CORPORATION, FRONTIER
COMMUNICATIONS OF AMERICA, INC.,
FRONTIER COMMUNICATIONS OF
MINNESOTA, INC., AND CITIZENS
TELECOMMUNICATIONS COMPANY OF
MINNESOTA, LLC D/B/A FRONTIER
COMMUNICATIONS



KEVIN SAVILLE
Senior Vice President & General Counsel
Frontier Communications
401 Merritt 7
Norwalk, CT 06851
Office (203) 614-5030
Cell (612) 839-0909
Ks9458@ftr.com

ORDER

Based upon the foregoing Assurance of Discontinuation, it is SO ORDERED.

BY THE COURT:

The Honorable _____
Judge of Ramsey County District Court

THERE BEING NO REASON FOR FURTHER DELAY, LET JUDGMENT BE ENTERED IMMEDIATELY.