

STATE OF MINNESOTA  
COUNTY OF HENNEPIN

DISTRICT COURT  
FOURTH JUDICIAL DISTRICT

Case Type: Civil  
(Consumer Protection)

State of Minnesota by its Attorney General,  
Lori Swanson,

Court File No. \_\_\_\_\_

Plaintiff,

vs.

Comcast Corporation d/b/a Xfinity, Comcast  
Cable Communications, LLC, Comcast of St.  
Paul, Inc., Comcast of Minnesota, Inc.,  
Comcast of Minnesota/Wisconsin, Inc.,  
Comcast of Arkansas/Florida/Louisiana/  
Minnesota/Mississippi/Tennessee, Inc., and  
Comcast of Arkansas/Florida/Louisiana/  
Minnesota/Mississippi/Tennessee, LLC,

## **COMPLAINT**

Defendants.

The State of Minnesota, by its Attorney General, Lori Swanson, for its Complaint against Defendants Comcast Corporation d/b/a Xfinity, Comcast Cable Communications, LLC, Comcast of St. Paul, Inc., Comcast of Minnesota, Inc., Comcast of Minnesota/Wisconsin, Inc., Comcast of Arkansas/Florida/Louisiana/Minnesota/Mississippi/Tennessee, Inc., and Comcast of Arkansas/Florida/Louisiana/Minnesota/Mississippi/Tennessee, LLC (collectively “Comcast/Xfinity”) alleges as follows:

## **INTRODUCTION**

1. Comcast/Xfinity has promised Minnesota residents lower monthly prices for its cable television packages than it has actually charged. The company has also charged Minnesota consumers for services and equipment they did not request or even declined. It has also

promised to provide Minnesota residents with Visa gift cards to get them to enroll in its cable television packages but has sometimes not provided the gift cards as promised. Comcast/Xfinity's conduct has violated Minnesota's consumer protection laws and injured thousands of Minnesota consumers who purchased Comcast/Xfinity's cable television packages. The State of Minnesota, by its Attorney General, Lori Swanson, brings this action to enforce Minnesota's consumer protection laws.

### **PARTIES**

2. Lori Swanson, the Attorney General of the State of Minnesota, is authorized under Minnesota Statutes chapter 8; the Consumer Fraud Act, Minnesota Statutes sections 325F.68 - .694; the Uniform Deceptive Trade Practices Act, Minnesota Statutes sections 325D.43 - .48; and has common law authority, including *parens patriae* authority, to bring this action to enforce Minnesota's laws, to vindicate the State's sovereign and quasi-sovereign interests, and to remediate all harm arising out of—and provide full relief for—violations of Minnesota's laws.

3. Defendant Comcast Corporation d/b/a Xfinity is a Pennsylvania corporation with its principal place of business in Philadelphia, Pennsylvania.

4. Defendant Comcast Cable Communications, LLC—a subsidiary of Comcast Corporation d/b/a Xfinity—has its principal place of business in Philadelphia, Pennsylvania, and is incorporated in Delaware.

5. Defendant Comcast of St. Paul, Inc., is a subsidiary of Comcast Corporation d/b/a Xfinity and has its principal place of business in St. Paul and is incorporated in Minnesota.

6. Defendant Comcast of Minnesota, Inc., is a subsidiary of Comcast Corporation d/b/a Xfinity and has its principal place of business in St. Paul and is incorporated in Delaware.

7. Defendant Comcast of Minnesota/Wisconsin, Inc., is a subsidiary of Comcast Corporation d/b/a Xfinity and has its principal place of business in St. Paul and is incorporated in Wisconsin.

8. Until at least October 18, 2016, Defendant Comcast of Arkansas/Florida/Louisiana/Minnesota/Mississippi/Tennessee, Inc., was a subsidiary of Comcast Corporation d/b/a Xfinity and had its principal place of business in Philadelphia and was incorporated in Delaware.

9. Defendant Comcast of Arkansas/Florida/Louisiana/Minnesota/Mississippi/Tennessee, LLC, is a subsidiary of Comcast Corporation d/b/a Xfinity and has its principal place of business in Philadelphia and is incorporated in Delaware.

#### **JURISDICTION AND VENUE**

10. This Court has subject matter jurisdiction over this action pursuant to Minnesota Statutes sections 8.01, 8.31, 325F.68 to 325F.69, and 325D.43 to 325D.48, and under common law.

11. This Court has personal jurisdiction over Comcast/Xfinity because it sells to, and has committed acts causing injury to, Minnesota citizens. Comcast/Xfinity also conducts business, including sales to Minnesota citizens, through numerous physical locations in Minnesota, including at its retail stores and service centers, as well as through its regional headquarters located at 10 River Park Plaza, St. Paul, Minnesota 55107.

12. Venue in Hennepin County is proper under Minnesota Statutes section 542.09 because the cause of action arose, in part, in Hennepin County. Comcast/Xfinity does and has done business in Hennepin County, and its unlawful acts have harmed Hennepin County residents, among others.

## **FACTUAL BACKGROUND**

### **I. COMCAST/XFINITY USES CONFUSING PRICING PRACTICES TO ADVERTISE AND PROMISE ARTIFICIALLY LOW CABLE TELEVISION PACKAGE PRICES TO MINNESOTA CONSUMERS.**

13. Comcast/Xfinity sells cable television, internet, and telephone services in Minnesota. In 2010, facing low customer satisfaction ratings, Comcast began using the name “Xfinity” to sell its services to residential consumers.

14. Comcast/Xfinity offers cable television service ranging from limited basic cable (consisting only of local broadcast stations, local government channels, and education channels) as its least expensive service to Xfinity Premier (consisting of all offered channels, movie channels, and Comcast/Xfinity’s Sports Entertainment Package) as its most expensive service. Comcast/Xfinity often sells its cable television service bundled together with its internet and/or telephone services, including a “triple play” package that includes cable television, internet access, and telephone service. For purposes of this Complaint, Comcast/Xfinity’s sale of its cable television service both alone, and bundled together with its internet and/or telephone services, is collectively referred to as Comcast/Xfinity’s “Cable Television Packages.”

#### **A. Comcast/Xfinity Pads Consumers’ Bills with Invented “Fees.”**

15. For its Cable Television Packages, Comcast/Xfinity first charges a monthly base price—for example, \$99.99 per month. On top of this base price, however, Comcast/Xfinity charges an array of additional fees that, often unbeknownst to consumers, can add 30% or more to the Cable Television Package’s total monthly price.

16. The extra fees Comcast/Xfinity charges include monthly equipment rental fees for equipment to receive its Cable Television Packages, like cable set-top boxes, digital adapters, and internet modems, as well as one-time activation and installation fees.

17. Comcast/Xfinity has also created a so-called “HD Technology” fee, which it charges to all customers (except those with a basic cable package) who receive high-definition cable television. Comcast/Xfinity currently charges Minnesota residents an HD Technology fee of \$10 per month, or \$120 per year.

18. Beginning on approximately June 1, 2015, Comcast/Xfinity began charging Minnesota consumers who purchased its Cable Television Packages a new “Broadcast TV fee,” which the company stated helps it to recover “a portion of the costs of retransmitting broadcast television signals.” Prior to the creation of this new fee, however, Comcast/Xfinity recovered any such retransmission costs through the base price it charged consumers for its Cable Television Packages. Since first imposing its Broadcast TV fee just three and one-half years ago, Comcast/Xfinity has increased the fee repeatedly. The fee started out at \$1.50 per month, but is now \$10 per month (or \$120 per year)—an increase of over 550%. Except for a [REDACTED], [REDACTED], Comcast/Xfinity did not [REDACTED], but rather [REDACTED].

19. Also starting on approximately June 1, 2015, Comcast/Xfinity began charging most Minnesota consumers who purchased its Cable Television Packages (except those purchasing basic cable or digital economy packages) a new “Regional Sports fee,” which the company stated helps it to recover a portion of the costs to transmit certain “regional sports networks.” Again, prior to the creation of this new fee, Comcast/Xfinity simply recovered any such costs through the base price it charged Minnesota consumers. Comcast/Xfinity has repeatedly increased its Regional Sports Fee. It started at \$1.00 per month, but is now \$8 per month (or \$96 per year)—an increase of 700%. Just like its Broadcast TV Fee ([REDACTED])

[REDACTED]), Comcast/Xfinity did not [REDACTED]  
[REDACTED], but rather [REDACTED]  
[REDACTED].

20. Despite creating the Broadcast TV fee and Regional Sports fee on its own initiative and increasing them at its own whims, Comcast/Xfinity has sometimes misrepresented to Minnesota consumers that it cannot control whether it charged consumers these fees or how much it charged for the fees. For example, Comcast/Xfinity told Minnesota consumers in 2015, 2016, and 2017—when the consumers called the company regarding undisclosed increases on their supposedly fixed-price bills—that the Broadcast TV fee and Regional Sports fee had increased or been added to their bills, but that “those fees are actually local fees and correspond to the FCC and we don’t manage those okay? Those aren’t up to Comcast;” “but that’s something again that’s out of our control;” that the increases “are outside our control;” “we have no control over the fees;” “the only thing Comcast cannot control are the taxes and fees within your state;” and that the Regional Sports fee can’t be taken off because it’s part of the “taxes.”

21. In fact, Comcast/Xfinity is not required by any state or federal law to collect such fees. As described below, Comcast/Xfinity has chosen to segregate these fees from its base price so it can deceptively advertise and promise an artificially low price to price-sensitive customers, and at the same time confuse and conceal the true monthly cost of its Cable Television Packages.

**B. When Advertising its Cable Television Packages to Minnesota Consumers, Comcast/Xfinity Emphasized Deceptively Low Fixed Prices.**

22. In order to bolster its door-to-door and telephonic sales of Cable Television Packages (discussed below), Comcast/Xfinity advertised to Minnesota consumers, including by direct-mail flyers, television commercials, and its website. Comcast/Xfinity’s advertising often

centered around its promotional and minimum-term agreement prices for its Cable Television Packages.

23. ***Promotional Prices.*** Comcast/Xfinity advertised that if a Minnesota consumer enrolls in a promotional-priced Cable Television Package, the company will provide a specific price (which is lower than its “everyday pricing”) for a certain duration—for example, \$99 per month for 12 months—during which the consumer can cancel anytime without penalty. Consumers who continue to receive Comcast/Xfinity services after the promotional period ends are then automatically charged Comcast/Xfinity’s higher everyday prices, unless they enter into another promotion with the company.

24. ***Minimum-Term Agreement Prices.*** Comcast/Xfinity’s lowest advertised rates are usually for its minimum-term agreements, which require consumers to pay Comcast/Xfinity for a set period of time, usually 12 or 24 months. Comcast/Xfinity charges its minimum-term agreement customers an early termination fee (ETF) of up to \$230 if they cancel services before the specified term ends. When the term ends, Comcast/Xfinity begins charging consumers its higher everyday prices.

25. To further entice consumers to enroll in these minimum-term agreements, Comcast/Xfinity at times offered promotional items like a Visa gift card in exchange for signing up. As discussed further below, Comcast/Xfinity sometimes failed to provide these cards as promised.

26. Comcast/Xfinity’s promotional price and minimum-term agreement advertisements prominently emphasized the artificially low base price of its Cable Television Packages, such as advertisements like these shown to Minnesota consumers in 2013 and 2016, respectively (highlighting added for emphasis):

Packed with innovative features, the X1 Platform™ from XFINITY® delivers an interactive TV experience like no other. **Get it today with the XFINITY Triple Play for just \$99 per month for 12 months.** Best of all, you'll also get **Streampix™ FREE for 3 months** and **X1 DVR™ service included for 6 months** so you can watch your recordings from any room in the house and **record up to four shows while watching another.**

**X1 gives you instant access to all of your entertainment.**

- See what's on live TV, XFINITY On Demand™ and X1 DVR with one simple search.
- Get personalized recommendations based on what you're watching.
- Access a vast entertainment library — any time, on any screen — with XFINITY On Demand.

**Get the fastest in-home Wi-Fi for all rooms, all devices, all the time.**

- Download speeds up to 25 Mbps.
- Chat, surf, stream HD movies and game online.
- Enjoy reliably fast speeds — even when everyone's online at the same time.


**Enjoy reliable home phone service with more ways to connect.**

- Save with unlimited nationwide talk & text.
- Get the best call clarity and advanced calling features.

**The XFINITY X1 Triple Play changes everything — EXCEPT THE PRICE.** More features. More speed. More value. **Get the XFINITY Triple Play for just \$99 per month for 12 months.** Call 1-855-420-3792 today.

Sincerely,  
Comcast

P.S. Turn to the back to see how the X1 Platform delivers an interactive TV experience like no other.

 All backed by the 30-Day Money-Back Comcast Customer Guarantee.

**ACT NOW**

**XFINITY TRIPLE PLAY**

**\$99**


per month for 12 months

.....


**THE FASTEST IN-HOME WI-FI**

.....PLUS.....

**X1 DVR™ SERVICE WITH MULTI-ROOM VIEWING INCLUDED FOR 6 MONTHS**



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**Lock in your rate for 2 years,** plus upgrade for more sports and premium channels



**Blast!® Pro Starter Triple Play**

**\$99<sup>99</sup>** per month for 24 mo. With 2-year agreement

Internet <b>150</b> Mbps	TV <b>140</b> Channels	Voice Nationwide Calling
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Ⓢ What is X1?

- Speeds to stream HD movies & game online
- X1 DVR™ included for 12 months
- Blockbuster movies on TMC\*

[Add to Cart](#)

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**Extreme Premier Triple Play**

**\$129<sup>99</sup>** per month for 24 mo. With 2-year agreement

Internet <b>150</b> Mbps	TV <b>260</b> Channels	Voice Nationwide Calling
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**\$100 Visa® Prepaid Card**

Ⓢ What is X1?

- Speeds to stream HD movies & game online
- X1 DVR™ included for 12 months
- NFL RedZone so you never miss a game
- HBO®, Showtime®, Cinemax®, & STARZ®

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Only in obscured, miniscule print—for example, on the reverse side of its direct-mailed flyer advertisements or in hyperlinks on its website advertisements—does Comcast/Xfinity



insufficiently purport to disclose additional fees it will charge. Such purported disclosures are inconspicuous and not sufficient to correct the overall misimpression that the emphasized, artificially low base price is the actual price consumers will pay.

27. Comcast/Xfinity's advertisements, such as the ones shown above, misrepresented, and caused widespread consumer confusion and misunderstanding as to, how much consumers will pay for its advertised Cable Television Packages by, for example: (1) making the most prominent text on the advertisements a false and misleading low price, when Comcast/Xfinity will actually charge significantly more as a result of its fees; (2) omitting a prominent disclosure that it will charge consumers substantial, additional fees that will increase the package's total price by as much as 30 percent; and (3) stating or implying through, for example, the use of exclusionary language like "just \$99 per month for 12 months" or "lock in your rate for 2 years," that it will not increase or change how much it charges consumers during the advertised package's time frame, when in reality, Comcast/Xfinity routinely adds and/or increases the substantial additional fees it charges during the time frame of its advertised packages. This caused consumers' monthly bills to increase, sometimes repeatedly.

28. Comcast/Xfinity's advertisements leave Minnesota consumers with the confusing misimpression that the artificially low base price of its Cable Television Packages constituted the total monthly amount it charged for such packages. As described below, when orally selling its Cable Television Packages to Minnesota consumers over the telephone or door-to-door, Comcast/Xfinity adds to the misrepresentations and material omissions about the prices it promises to charge, only further compounding consumers' confusion.

**C. When Orally Describing the Cost of its Cable Television Packages to Minnesota Consumers, Comcast/Xfinity Has Misrepresented the Total Cost and Deceptively Failed to Disclose its Substantial Additional Fees.**

29. When orally pitching its Cable Television Packages door-to-door and over the telephone, Comcast/Xfinity has engaged in deceptive conduct, false statements, and material omissions about the prices it promises to charge and has caused confusion among a large number of Minnesota consumers. When consumers contact Comcast/Xfinity regarding the discrepancies between the low prices Comcast/Xfinity promised and the higher prices it actually charged, Comcast/Xfinity has often refused to charge them the promised price or refund the difference between the promised price and the actual price. For years, Comcast/Xfinity has been aware that

[REDACTED]

[REDACTED].

Its own investigations into consumers' billing disputes confirmed that, at times, [REDACTED]

[REDACTED]. As a result of

Comcast/Xfinity's long-standing and illegal conduct, thousands of Minnesota consumers have been harmed by their purchase of the company's Cable Television Packages.

**1. Comcast/Xfinity Has Misrepresented the Total Cost of the Cable Television Packages that it Sold Door-to-Door to Minnesota Consumers.**

30. Some consumers were solicited at their home by Comcast/Xfinity's door-to-door sales agents. While at the consumer's home, Comcast/Xfinity has offered its Cable Television Packages and promised a particular price, and then had consumers sign a paper contract called a "Service Order." Until at least 2017, when making door-to-door sales, Comcast/Xfinity routinely failed to disclose that it would charge numerous additional fees on top of the company's promised price—including, for example, the Broadcast TV fee and Regional Sports fee—or that Comcast/Xfinity could increase these fees at any time and in its discretion. When

making door-to-door sales Comcast/Xfinity misrepresented, and caused widespread consumer confusion and misunderstanding as to how much consumers will pay for its Cable Television Packages. For example:

- Despite misrepresenting in a consumer's Service Order: ***"HD DVR Qty. 1 \$0.00"*** as well as failing to disclose any additional monthly fees (including HD Technology, Broadcast TV, and Regional Sports fees), Comcast/Xfinity then charged him more than it promised by adding equipment fees for a DVR, as well as an HD Technology, Broadcast TV, and Regional Sports fees.
- In 2016, Comcast/Xfinity promised a consumer on his Service Order that it would charge him \$109, plus tax, for two years. Despite his Service Order stating: ***"HD/DVR \$0"*** and ***"Addl. Monthly Fees \$ ---"*** Comcast/Xfinity increased his bill by \$19.95 per month by adding an equipment (DVR) fee as well as Broadcast TV, Regional Sports, and HD Technology fees.
- Similarly, in August 2016, Comcast/Xfinity promised a consumer that it would charge him the same price for two years and wrote that he would pay \$139.99 per month on his Service Order. Comcast/Xfinity instead charged him more, including an undisclosed Broadcast TV fee of \$4.50 per month and Regional Sports fee of \$3.00 per month, and then raised his rate by over \$19.95 per month in the second year of his term by adding an HD Technology fee and an equipment (DVR) fee, despite his Service Order misrepresenting: ***"HD DVR Qty 1 \$Free."***
- In October 2015, Comcast/Xfinity promised two consumers during its in-home sales pitch a Cable Television Package that would be ***"locked"*** for two years. During their two-year term, however, Comcast/Xfinity increased their bill by over \$20 per month by adding undisclosed equipment (DVR) fee and HD Technology fee. When the consumers complained to the company about the price increase, it told them that part of the increase was due to its Broadcast TV fee and Regional Sports fee increases, falsely claiming ***"those are outside our control."***
- Likewise, in 2016 Comcast/Xfinity came to another consumer's door and promised that he would pay only \$99 per month total for its Cable Television Package. Because he was retired and the total monthly price he would pay was important to him, the consumer asked the company to confirm that his "bottom line" price would be \$99 per month, which Comcast/Xfinity confirmed. Comcast/Xfinity further falsely promised on his Service Order that he would not be charged for a DVR stating: ***"DVR Qty 1 \$0."*** Subsequently, however, Comcast/Xfinity charged the

consumer far more than it promised including undisclosed equipment (DVR), Broadcast TV and Regional Sports fees.

2. Comcast/Xfinity Misrepresented the Total Cost of its Cable Television Packages to Minnesota Consumers Over the Phone and Deceptively Failed to Disclose the Numerous Fees it Would Charge.

31. Comcast/Xfinity also sold its Cable Television Packages over the telephone. It trained its representatives to use routine customer interactions, even some repair calls, as a chance to sell or upgrade such packages. Its commission structure—which can provide █% of a Comcast/Xfinity representative’s pay—incentivized its agents to do so. Comcast/Xfinity further trained its sales representatives to deceptively emphasize that the benefit of its minimum-term agreements is that they will keep consumers’ prices “██████” and “██████.”

32. When enrolling Minnesota consumers in its Cable Television Packages over the phone, Comcast/Xfinity routinely misrepresented the total cost of the package and often failed to disclose (or sufficiently disclose) that it would charge numerous additional fees—including, for example, the Broadcast TV fee, the Regional Sports fee, and/or equipment fees—on top of the package’s base price. As described above, Comcast/Xfinity strongly emphasized the base price in its advertising. Comcast/Xfinity also sometimes failed to disclose or sufficiently disclose that it may increase these fees whenever it wanted and in any amount it desired. Representative examples of Comcast/Xfinity’s misrepresentations and material omissions of fact include the following:

- In 2015, Comcast/Xfinity falsely promised to a consumer: **“so future bills, you would be looking at \$160.14 after tax.”** Comcast/Xfinity failed to disclose in any way its substantial additional fees during its sales call. Over at least the next three months, however, the company charged the consumer \$16 to \$20 per month above its promised price, including, in part, due to undisclosed Broadcast TV, Regional Sports, and equipment fees.

- Comcast/Xfinity misrepresented in 2016 that a consumer **would pay \$122 per month “including the taxes and fees and equipment”** for two years for a Cable Television Package. The consumer confirmed that this was the total price Comcast/Xfinity would charge, stating he did not want to be “surprised” by the company’s bills, and Comcast/Xfinity again falsely confirmed it would only charge him \$122 per month. Comcast/Xfinity actually charged him approximately \$132 per month for the first six months and then raised his bill to \$139.90.
- In 2016, Comcast/Xfinity misrepresented that it would charge a consumer \$129.99 for a year for its “HD preferred” Cable Television Package, stating: **“it’ll be \$129.99 . . . yeah for your bundle . . .”** During the sales call, Comcast/Xfinity failed to disclose the substantial additional fees it would charge the consumer in addition to the price it promised her. The company then charged her significantly more than it promised, in part, due to its undisclosed Broadcast TV fee, Regional Sports fee, and equipment fees.
- Comcast/Xfinity falsely told a consumer in 2016 that **she’ll pay “\$89.99 before tax,” for the first year** of her Cable Television Package. During its sales call, the company failed to disclose the substantial additional fees (unrelated to taxes) it would charge. Subsequently, Comcast/Xfinity charged the consumer more than it promised due to imposing its undisclosed Broadcast TV and Regional Sports fees.
- In 2014, Comcast/Xfinity falsely promised a price of **“only \$99” per month** to a consumer—who confirmed “and that’s all for \$99?” to which Comcast/Xfinity replied **“that’s totally correct.”** In reality, however, the company charged the consumer \$131.46 in the first month and \$120.01 in the second month—due to undisclosed DVR and equipment fees.
- Comcast/Xfinity misrepresented to a consumer in 2015: **“I have everything taken care of including taxes, you’d be looking at, let me see, including taxes you’ll be looking at \$174.63,”** per month for a one year Cable Television Package. During the sales call, Comcast/Xfinity failed to disclose any of its additional fees and/or that such fees could increase at any time at Comcast/Xfinity’s discretion. Subsequently, two months later, the company began charging the consumer more than it promised due to increases in its equipment fees.
- Comcast/Xfinity deceptively promised another consumer in 2016 that she would pay **\$107.38 per month, “after taxes and equipment”** for two years but actually enrolled her in a \$119.99 per month base rate plan, on top of which Comcast/Xfinity charged numerous additional fees.

- In 2015, Comcast/Xfinity misrepresented the price of a Cable Television Package to a consumer, saying that: **“going forward it will be the \$82.66.”** During the sales call, the company failed to disclose any additional fees and/or that such fees could increase at any time at Comcast/Xfinity’s discretion. Several months later, Comcast/Xfinity began charging more than it promised due to adding its Broadcast TV fee and increasing its equipment fees.
- In 2016, Comcast/Xfinity misrepresented to a Minnesota consumer that she **would pay “within about a dollar” of \$130.12 per month** for her Cable Television Package. Two months later, her monthly bills began to increase due to undisclosed fees, including the Broadcast TV and Regional Sports fee. Nine months after she purchased its services, Comcast/Xfinity charged her approximately \$20 a month above its promised price.
- In 2015, Comcast/Xfinity falsely promised a consumer that she would be billed no more than **\$94 per month for two-years**. Subsequently, after Comcast/Xfinity began billing her more than this promised monthly amount, she called to complain and Comcast/Xfinity again assured her that her future bills would **remain “constant” “for sure” and not exceed \$92.56**. Nevertheless, the company continued to charge her more than it promised, in part, due to its undisclosed Broadcast TV fee, Regional Sports fee, and equipment fees.

33. *After* consumers already agreed over the phone to purchase a Cable Television Package based on Comcast/Xfinity’s deceptive promised price, the company sent some consumers email “confirmations” of their order. Comcast/Xfinity’s “confirmation” emails, however, did not disclose that it may increase its prices even for consumers on a promotional or minimum-term agreement by increasing the fees it imposes. Nor did the emails always provide the essential details of the minimum-term agreement, like the duration of the term, that an early termination fee will be charged if the consumer cancels services, or the cost of the early termination fee.

34. Similarly, *after* consumers agreed over the phone to purchase a minimum-term agreement Cable Television Package<sup>1</sup> and *after* they had the package installed, Comcast/Xfinity generated an “Offer” letter containing a “Term Customer Agreement.” Unbeknownst to many consumers, this Offer letter is usually only accessible to consumers by logging in to their online Comcast/Xfinity account after their purchased services have been installed. Comcast/Xfinity has routinely failed to inform consumers that this document exists, and many consumers never see it. Comcast/Xfinity’s Offer letters state that they are being mailed to the consumer, but many consumers report not receiving them.

35. Comcast/Xfinity’s “Offer” letter reinforces its deceptive advertising and Comcast/Xfinity’s false oral promises by prominently displaying only the artificially low price of the consumer’s package on its front page, without including with that price Comcast/Xfinity’s additional fees that make up a substantial portion of the Cable Television Package’s total price:

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<sup>1</sup> Until recently, Comcast/Xfinity did not regularly obtain consumers’ written consent to, nor provide written disclosures of, the full price of its Cable Television Packages prior to enrolling consumers in its services over the telephone. Nor did Comcast/Xfinity typically obtain consumers’ written consent to enter into a minimum-term agreement over the phone. Instead, consumers orally accepted Comcast/Xfinity’s deceptively low, promised price. As a result of a recent settlement with the Federal Communications Commission, Comcast/Xfinity now requires some consumers to click a button online, using a hyperlink that Comcast/Xfinity emails or texts to the consumer, before considering them to have accepted its minimum-term agreement.

Thank you for requesting the following offer ("Offer"):

**Offer:**

**Starter XF Triple Play includes:**

- **XFINITY Digital Starter and The Movie Channel® for primary outlet**
- **XFINITY Blast!® Pro Internet**
- **XFINITY Voice Unlimited™**
- **For \$99.99 per month for months 1-24.**

Only on the third page of this document does Comcast/Xfinity insufficiently mention the substantial, additional fees that may be charged to consumers. The obscured location and vague phrasing of this buried statement insufficiently discloses that these additional charges add up to a substantial portion of a consumer's monthly bill. Moreover, as stated above, these documents are only sent after services are installed and are not delivered in a meaningful way so as to be read and understood by consumers.

**D. Comcast/Xfinity Has Long Been Aware that its Misrepresentations and Material Omissions of Fact Have Confused Consumers About the True Cost of its Cable Television Packages.**

36. For years, Comcast/Xfinity has known that it has misrepresented the total cost of its Cable Television Packages and failed to disclose that it will charge substantial, additional fees in addition to the deceptively low price it promised consumers. For example, in 20[REDACTED] and 20[REDACTED], Comcast/Xfinity internally tracked [REDACTED]

[REDACTED], including [REDACTED] it classified as "[REDACTED]"

[REDACTED]

[REDACTED].



37. For these “[REDACTED]  
[REDACTED], Comcast/Xfinity’s internal reports acknowledge [REDACTED]  
[REDACTED]  
[REDACTED]” Comcast/Xfinity’s own internal investigation of these [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].” In other words,  
Comcast/Xfinity has confirmed that, at times, [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]). Comcast/Xfinity’s deceptive patterns and  
practices have caused widespread consumer confusion and injury.

38. This Complaint contains examples of Comcast/Xfinity’s interactions with Minnesota consumers in order to elucidate Comcast/Xfinity’s pattern and practice of deceptive conduct alleged herein. As these illustrative examples make clear, Comcast/Xfinity’s material misrepresentations and omissions about the price consumers will pay for their Cable Television Packages are the type of statements upon which reasonable and prudent persons rely. Comcast/Xfinity’s false statements and material omissions have been widely disseminated and have injured thousands of Minnesota consumers who have purchased the company’s Cable Television Packages. The State is pursuing relief on behalf of each and every Minnesota consumer Comcast/Xfinity has defrauded. The State’s case is not limited to the illustrative

examples included in this Complaint solely for the purpose of exemplifying the company's long course of prohibited conduct.

39. Minnesota consumers have purchased Comcast/Xfinity's Cable Television Packages based on the company's deceptive representations about the price of its services. Special circumstances exist that triggered a duty on the part of Comcast/Xfinity to disclose material facts about the prices consumers will pay. First, Comcast/Xfinity had special knowledge which Minnesota consumers did not have at the time of their purchase of the full scope of the charges that Comcast/Xfinity would impose on its customers. Comcast/Xfinity knows that its customers and potential customers place their trust in the representations Comcast/Xfinity makes to them at the point of sale and rely on the company to inform them of the material facts relating to the cost of Comcast/Xfinity's services. Second, Comcast/Xfinity does not say enough to prevent the representations it does makes to consumers from being deceptive and misleading.

## **II. COMCAST/XFINITY HAS CHARGED MINNESOTA CONSUMERS FOR UNREQUESTED SERVICES.**

40. Comcast/Xfinity's lengthy course of prohibited conduct also includes charging some Minnesota consumers for unauthorized services and equipment that they never requested and sometimes explicitly turned down. Comcast/Xfinity's fraudulent practice of charging and collecting for products and/or services without authorization has caused widespread consumer confusion and injury. Some customers have inadvertently paid their bill without noticing these unauthorized charges and have been unable to get Comcast/Xfinity to remove them from their account.

41. Representative examples, for illustrative purposes, of Comcast/Xfinity's misrepresentations and material omissions of fact include the following:

- In 2015, Comcast/Xfinity deceptively enrolled a consumer in a minimum-term agreement Cable Television Package that she did not want, and then charged her an early termination fee when she cancelled the unrequested package.
- Comcast/Xfinity fraudulently added home security in December 2014 to another consumer's account even though he did not agree to purchase this service, and indeed told Comcast/Xfinity he needed to think more about it before accepting.
- In 2015, a consumer called Comcast/Xfinity to have her internet service restored and was told a technician would be sent out to resolve the issue. Without informing the consumer, Comcast/Xfinity then added a charge for a service protection plan to her account and began charging her \$4.99 each month for this unauthorized service.
- In 2015, Comcast/Xfinity deceptively enrolled a consumer in a two-year, minimum-term agreement Cable Television Package that the consumer did not ask for or want.
- Comcast/Xfinity fraudulently added and began charging a consumer (who was receiving Comcast/Xfinity's cable and internet services) for telephone service in 2014, even though the consumer had explicitly declined Comcast/Xfinity's offer for such telephone service. Once Comcast/Xfinity finally agreed to remove this unauthorized service, it still charged the consumer a \$130 early termination fee and one month of telephone service.
- In 2016, a consumer called Comcast/Xfinity to inquire about its Cable Television Packages but ultimately stated she needed more time to think over her options and did not agree to enroll in any Comcast/Xfinity service. Nevertheless, Comcast/Xfinity enrolled her in a Cable Television Package and shipped her equipment (that she never ordered) in the mail and began sending her monthly bills, as well as threatened to refer her account to a collections agency due to nonpayment.
- Comcast/Xfinity fraudulently began charging a consumer a monthly fee for a modem in 2016. The consumer never authorized this charge and had explicitly informed Comcast/Xfinity that he did not want or need a modem from the company because he already had his own.
- In 2015, Comcast/Xfinity falsely represented to a consumer that it would not charge her for a service visit to her home to repair her cable service. Unbeknownst to the consumer, Comcast/Xfinity added a service protection plan charge to the consumer's account and then began charging

the consumer \$4.99 each month for a year and subsequently refused to provide the consumer with a refund.

- When a consumer returned his modem to a Comcast/Xfinity store in 2015, unbeknownst to him, the company changed his internet service to Blast internet and charged him \$5 for it. When he called Comcast/Xfinity to remove this unauthorized charge, it told him that agents at its stores “really like to do that” because they are paid commission from such practices.
- In 2015, a consumer noticed that Comcast/Xfinity had been charging him \$4.99 a month for its service protection plan, even though the consumer had never requested the plan and never consented to this monthly charge.

42. Comcast/Xfinity is well aware of its fraudulent practice of charging Minnesota consumers for unauthorized services and equipment that they never requested and/or specifically refused. In 2016, Comcast/Xfinity settled an investigation conducted by the Federal Communications Commission (“FCC”) beginning in approximately January 2015, based on complaints the FCC received from consumers that “allege that Comcast added services or equipment to subscribers’ cable service without their knowledge or permission.” The FCC settlement only provided for prospective changes to Comcast/Xfinity’s business practices and the payment of a penalty—not remedial relief to consumers already harmed by Comcast/Xfinity’s fraudulent conduct.

### **III. COMCAST/XFINITY HAS FALSELY PROMISED PROMOTIONAL ITEMS THAT IT DID NOT DELIVER TO OFFSET ITS PRICES.**

43. To entice consumers to agree to a 12- or 24-month minimum-term agreement for its services, Comcast/Xfinity has used various promotions offering Visa prepaid cards loaded with cash of up to \$500 (and other promotional items).

44. The following are examples of promotions Comcast/Xfinity mailed Minnesota consumers in 2013:

**XFINITY TRIPLE PLAY**

**\$99** per month for **24** months

HD DVR service included for 6 months

plus get a

**Visa® Prepaid Card** worth up to \$200 when you upgrade to an HD Triple Play

*Last chance!*

NEW CUSTOMER BONUS:

Call today for a Visa® prepaid card worth up to

**\$200!**

**FREE self-install kit.**

**xfinity**

Add XFINITY INTERNET® today and get a **\$50 Visa® Prepaid card!**

**xfinity**  
the future of awesome™

**OUR GIFT TO YOU**

45. Comcast/Xfinity represents on its website that it will send the prepaid card (or other promotional item) if the customer stays in the offered package for at least 90 days and maintains his or her account in good standing. Some consumers who enrolled in the advertised promotion and complied with Comcast/Xfinity's requirements, however, are not provided the promised prepaid card (or other promotional item). For example:

- Comcast/Xfinity falsely told a consumer in December 2015 that it would send him a \$175 Visa prepaid card within 90 days but still did not provide it over eight months later, despite confirming that he was eligible to receive it;
- Comcast/Xfinity falsely promised one consumer in the summer of 2013 she would soon receive her Visa prepaid card but refused to provide it until April 2014, and only after the Attorney General's Office wrote on her behalf;
- Comcast/Xfinity misrepresented to another consumer in October 2015 that he would receive a \$150 Visa prepaid card after three months but did not provide it until five months later, only after the Attorney General's Office wrote on his behalf;

- In August 2014, Comcast/Xfinity falsely promised another consumer that her \$300 “Visa prepaid card will be mailed within sixteen weeks from” her completed installation but failed to provide it until six months later, and only after the Attorney General’s Office wrote on her behalf; and
- Another consumer was falsely promised by Comcast/Xfinity that she would receive her promotional item after 90 days but was not provided anything until seven months later, and only after the Attorney General’s Office wrote on her behalf.

Comcast/Xfinity produced records to the Minnesota Attorney General’s Office indicating that approximately [REDACTED]

[REDACTED] did not receive the promised item.

46. Comcast/Xfinity has been aware of its deceptive pattern and practice of failing to deliver prepaid cards (or other promotional items) to its customers as promised since at least 2012. For example, in 20[REDACTED] and 20[REDACTED], Comcast/Xfinity internally tracked [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]. Moreover, Comcast/Xfinity acknowledged that these “[REDACTED]

[REDACTED]

[REDACTED].

#### **IV. COMCAST/XFINITY’S MISREPRESENTATIONS, MATERIAL OMISSIONS, AND FRAUDULENT CONDUCT DIRECTLY HARMED MINNESOTA CONSUMERS.**

47. Thousands of Minnesota consumers have purchased Comcast/Xfinity’s services based on the company’s deceptive representations, material omissions, and fraudulent conduct described in this Complaint. For several reasons, a “causal nexus” connects Comcast/Xfinity’s prohibited conduct and the damage that conduct has inflicted upon Minnesota consumers.

48. Comcast/Xfinity's fraudulent conduct and the harm Minnesota consumers have suffered cannot be separated. Comcast/Xfinity's fraudulent conduct takes the form of false statements and/or material omissions about the prices the company will charge Minnesota consumers for their Cable Television Packages and the promotional items such consumers will receive. If Comcast/Xfinity's statements about the price consumers will pay and the promotional items they will receive are true, Minnesota consumers do not suffer financial harm. But when Comcast/Xfinity's statements about the price of its services and its promotional items are false, Minnesota consumers necessarily suffer financial harm when they purchase Comcast/Xfinity's Cable Television Packages. Consumers who are charged more for services than they agreed to pay, or for services they never requested, are harmed by the amount they are charged above the amount Comcast/Xfinity falsely promised to charge and the consumer agreed to pay. Likewise, consumers who are promised promotional items that they never received are harmed by the value of the promotional item Comcast/Xfinity falsely promised to provide.

49. Additionally, consumers' decisions to purchase Comcast/Xfinity's services were based on the company's widely disseminated false promises about the prices of the company's services and the delivery of its promotional items. Statements about the price of a company's services and the delivery of promotional items in exchange for purchasing such services are the type of representations which reasonable and prudent persons rely upon in deciding to purchase the company's services. Comcast/Xfinity also intends that consumers rely on the company's false statements about the price of the company's services and delivery of promotional items.

50. Through the patterns and practices identified in this Complaint, Comcast/Xfinity deliberately engaged in a lengthy course of prohibited conduct that deceived a large number of consumers.

51. The State brings this action to protect Minnesota consumers from Comcast/Xfinity's unlawful acts.

**COUNT I**  
**PREVENTION OF CONSUMER FRAUD ACT**  
**MINN. STAT. § 325F.69, SUBD. 1**

52. Plaintiff re-alleges all prior paragraphs of this Complaint.

53. Minnesota Statutes section 325F.69, subdivision 1, states:

The act, use, or employment by any person of any fraud, false pretense, false promise, misrepresentation, misleading statement or deceptive practice, with the intent that others rely thereon in connection with the sale of any merchandise, whether or not any person has in fact been misled, deceived, or damaged thereby, is enjoined as provided in section 325F. 70.

Minn. Stat. § 325F.69, subd. 1, (2018).

54. The term “person” within the meaning of Minnesota Statutes section 325F.69 includes corporations and companies. Minn. Stat. § 325F.68, subd. 3 (2018). The term “merchandise” within the meaning of Minnesota Statutes section 325F.69 includes services. Minn. Stat. § 325F.68, subd. 2 (2018).

55. Comcast/Xfinity has repeatedly violated Minnesota Statutes section 325F.69, subdivision 1, by engaging in deceptive and fraudulent practices described in this Complaint, with the intent that others rely thereon in connection with the sale of its Cable Television Packages. Among other things, Comcast/Xfinity: (a) falsely promised some consumers that its services will cost a particular price when in fact the company charged consumers a higher price, (b) added services or equipment that some consumers did not request, and then charged for such services or equipment without their consent, and (c) falsely promised some consumers that it would provide them prepaid cards with values up to \$500, but then did not provide them.



56. Due to the deceptive and fraudulent conduct described in this Complaint, Minnesota consumers have made payments to Comcast/Xfinity for goods and services that they otherwise would not have purchased or in amounts that they should not have been required to pay, thereby causing harm to those consumers. There is a causal relationship between these injuries to Minnesota consumers and the wrongful conduct Comcast/Xfinity has engaged in that violates Minnesota Statutes section 325F.69, subdivision 1.

57. Given the representations it made, its special knowledge, and the circumstances described in this Complaint, Comcast/Xfinity had a duty to disclose material facts to potential customers in connection with its marketing and offering of goods and services to Minnesota consumers, including the additional costs it would impose on consumers. By not doing so, the company failed to disclose material information in violation of Minnesota Statutes section 325F.69, subdivision 1.

58. Comcast/Xfinity's conduct, practices, and material omissions described in this Complaint constitute multiple separate violations of Minnesota Statutes section 325F.69, subdivision 1.

**COUNT II**  
**PREVENTION OF CONSUMER FRAUD ACT**  
**SOLICITATION OF MONEY FOR UNORDERED SERVICES**  
**MINN. STAT. § 325F.69, SUBD. 4**

59. Plaintiff re-alleges all prior paragraphs of this Complaint.

60. Minnesota Statutes section 325F.69, subdivision 4, states:

The act, use, or employment by any person of any solicitation for payment of money by another by any statement or invoice, or any writing that could reasonably be interpreted as a statement or invoice, for merchandise not yet ordered or for services not yet performed and not yet ordered, whether or not any person has in fact been misled, deceived, or damaged thereby, is enjoined as provided in section 325F.70.

Minn. Stat. § 325F.69, subd. 4 (2018).

61. The term “person” within the meaning of Minnesota Statutes section 325F.69 includes corporations and companies. Minn. Stat. § 325F.68, subd. 3 (2018). The term “merchandise” within the meaning of Minnesota Statutes section 325F.69 includes services. Minn. Stat. § 325F.68, subd. 2 (2018).

62. Comcast/Xfinity has repeatedly violated Minnesota Statutes section 325F.69, subdivision 4, by engaging in the solicitation for payment of money for merchandise and services not yet ordered as described in this Complaint. Among other things, Comcast/Xfinity sends bills to some consumers charging them for services or equipment that they did not request, order, or for which they otherwise did not consent to be charged. There is a causal relationship between these injuries to Minnesota consumers and the wrongful conduct Comcast/Xfinity has engaged in that violates Minnesota Statutes section 325F.69, subdivision 4.

63. Comcast/Xfinity’s conduct, practices, and material omissions described in this Complaint constitute multiple separate violations of Minnesota Statutes section 325F.69, subdivision 4.

**COUNT III**  
**UNIFORM DECEPTIVE TRADE PRACTICES ACT**  
**MINN. STAT. § 325D.44**

64. Plaintiff re-alleges all prior paragraphs of this Complaint.

65. Minnesota Statutes section 325D.44, subdivision 1, states:

A person engages in a deceptive trade practice when, in the course of business, vocation, or occupation, the person:

\*\*\*

(9) advertises goods or services with intent not to sell them as advertised;

\*\*\*

- (11) makes false or misleading statements of fact concerning the reasons for, existence of, or amounts of price reductions;

\*\*\*

- (13) engages in any other conduct which similarly creates a likelihood of confusion or of misunderstanding.

Minn. Stat. § 325D.44, subd. 1, (2018).

66. Comcast/Xfinity has repeatedly violated Minnesota Statutes section 325D.44, subdivision 1, by engaging in the deceptive and fraudulent conduct described in this Complaint. Comcast/Xfinity's conduct has caused a likelihood of confusion or misunderstanding among consumers regarding, for example, the prices of Comcast/Xfinity's cable television packages, what services they will be charged for, and whether they will receive promotional items (like prepaid gift cards). Comcast/Xfinity engaged in conduct that creates a likelihood of widespread consumer confusion and misunderstanding because, for example, it advertised, quoted, and promised that its services will cost a particular price when in fact the company charged consumers a higher price. Comcast/Xfinity has advertised its services with the intent not to sell them at the advertised prices because, for example, Comcast/Xfinity promised prices and prepaid cards to consumers that it did not provide and refused to provide even when consumers contacted Comcast/Xfinity about the pricing disparities or failure to provide the prepaid cards. Comcast/Xfinity has also made false and misleading statements about the existence of its price reductions and subsequently failed to deliver the reductions to consumers.

67. Due to the deceptive and fraudulent conduct described in this Complaint, consumers made payments to Comcast/Xfinity for goods and services that they otherwise would not have purchased or in amounts that they should not have been required to pay. There is a

causal relationship between these injuries to Minnesota consumers and the wrongful conduct Comcast/Xfinity has engaged in that violates Minnesota Statutes section 325D.44, subdivision 1.

68. Given the representations Comcast/Xfinity made, its special knowledge, and the circumstances in this Complaint, Comcast/Xfinity had a duty to disclose all material facts to potential customers in connection with its marketing and offering of goods and services to Minnesota consumers, including the additional charges Comcast/Xfinity would impose that would result in the company not honoring its quoted monthly prices. By failing to disclose and omitting material facts which Comcast/Xfinity had a duty to disclose, Comcast/Xfinity has further engaged in deceptive and fraudulent practices in violation of Minnesota Statutes section 325D.44, subdivision 1.

69. Comcast/Xfinity's conduct, practices, and actions described in this Complaint constitute multiple separate violations of Minnesota Statutes section 325D.44, subdivision 1.

#### **PRAYER FOR RELIEF**

WHEREFORE, the State of Minnesota, by its Attorney General, Lori Swanson, respectfully asks this Court to award judgment against Defendants, jointly and severally, as follows:

1. Declaring that Defendants' actions, as set forth above, constitute multiple, separate violations of Minnesota Statutes sections 325F.69, subdivisions 1 and 4, and 325D.44, subdivision 1;

2. Enjoining Defendants' and their employees, officers, directors, agents, successors, assignees, affiliates, merged or acquired predecessors, parents or controlling entities, subsidiaries, and all other persons acting in concert or participation with them, from engaging in

deceptive practices, or making false or misleading statements, in violation of Minnesota Statutes sections 325F.69, subdivisions 1 and 4, and 325D.44, subdivision 1;

3. Awarding judgment against Defendants, jointly and severally, for restitution under the *parens patriae* doctrine, the general equitable powers of this Court, Minnesota Statutes section 8.31, and any other authority, for all persons injured by Defendants' acts as described in this Complaint;

4. Awarding judgment against Defendants, jointly and severally, for civil penalties pursuant to Minnesota Statutes section 8.31, subdivision 3, for each separate violation of Minnesota Statutes sections 325F.69 and 325D.44;

5. Awarding the State of Minnesota its costs, including litigation costs, costs of investigation, and attorneys' fees, as authorized by Minnesota Statutes section 8.31, subdivision 3(a); and

6. Granting such further relief as provided by law or equity or as the Court deems appropriate and just.

Dated: December 21, 2018

LORI SWANSON  
Attorney General  
State of Minnesota

JAMES W. CANADAY  
Deputy Attorney General

JASON PLEGGENKUHLE  
Assistant Attorney General

/s/ ***Katherine T. Kelly***  
\_\_\_\_\_  
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**MINN. STAT. § 549.211 ACKNOWLEDGMENT**

The party on whose behalf the attached document is served acknowledges through its undersigned counsel that sanctions, including reasonable attorney fees and other expenses, may be awarded to the opposite party or parties pursuant to Minn. Stat. § 549.211 (2018).

/s/ *Katherine T. Kelly*