VIRGINIA:

IN THE CIRCUIT COURT FOR THE CITY OF RICHMOND John Marshall Courts Building

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COMMONWEALTH OF VIRGINIA,)	BY
EX REL. MARK R. HERRING,)	4-MACONANIA CONTRACTOR
ATTORNEY GENERAL, Plaintiff,		
) }	
ŕ) Civil Action No	
v.)	
)	
SPRINT CORPORATION,)	
a Kansas corporation,)	
)	
Defendant.))	
]	

COMPLAINT

The Plaintiff, Commonwealth of Virginia, by, through and at the relation of the Attorney General of Virginia, Mark R. Herring (the "Plaintiff" or the "Commonwealth"), petitions this Court to declare that the activities in which the Defendant, Sprint Corporation (the "Defendant"), has engaged constitute violations of the Virginia Consumer Protection Act ("VCPA"), Virginia Code §§ 59.1-196 through 59.1-207. The Plaintiff prays that this Court grant the relief requested in this Complaint and states the following in support thereof:

<u>IURISDICTION</u>

- 1. The Circuit Court for the City of Richmond has authority to entertain this action and to grant the relief requested herein pursuant to the VCPA, and §§ 8.01-620 and 17.1-513 of the Code of Virginia.
 - 2. Venue is proper in this Court under § 8.01-262 of the Code of Virginia because the

Defendant regularly conducts business activity in the City of Richmond. Alternatively, venue is proper in this Court because the Defendant does not reside in the Commonwealth and the City of Richmond is a location in which the Plaintiff, the Commonwealth of Virginia, resides.

3. Prior to commencement of this action, the Commonwealth, through communications by a multi-state group of attorneys general, gave the Defendant written notice that these proceedings were contemplated and a reasonable opportunity to appear before the Office of the Attorney General to demonstrate that no violations of the VCPA had occurred, or to execute an appropriate Assurance of Voluntary Compliance ("Assurance"), pursuant to Virginia Code § 59.1-203(B). The Defendant agreed to execute an Assurance that is acceptable to the Commonwealth.

PARTIES

- 4. The Plaintiff is the Commonwealth of Virginia, by, through, and at the relation of Mark R. Herring, Attorney General of Virginia.
- 5. The Defendant is Sprint Corporation, a Kansas corporation, which maintains its principal office at 6200 Sprint Parkway, Overland Park, Kansas 66251.

BACKGROUND

- 6. The Defendant, at all times material hereto, solicited consumers and transacted business within the Commonwealth of Virginia.
- 7. The Defendant is a leading carrier of mobile telephone services. The Plaintiff, along with a multi-state group of attorneys general, allege that the Defendant has engaged in the practice of "cramming." "Cramming" involves the practice of placing charges on consumers' telephone bills that have not been authorized by the consumers. The multi-state group of attorneys general have jointly alleged that "cramming" is a major national problem.

- 8. Consumers who have been "crammed" often complain about charges, typically \$9.99 per month, for "premium" text message subscription services such as horoscopes, trivia, and sports scores that they have never heard of or requested.
- 9. Many consumers are unaware that their mobile telephones can be used to make payments for third-party products and services, and consumers often pay the unauthorized third-party charges without the knowledge that the charges have been placed on their mobile telephone bills.

CAUSE OF ACTION – VIRGINIA CONSUMER PROTECTION ACT

- 10. Plaintiff adopts, incorporates herein by reference and re-alleges paragraphs 1 through 9 as fully set forth below.
- 11. The Defendant is now, and was at all relevant times mentioned herein, a "supplier" of "goods" or "services" and engaged in "consumer transactions," as those terms are defined in § 59.1-198 of the VCPA, by advertising, offering for sale and selling its products and services to consumers.
- 12. The Defendant has engaged in the acts and practices described in this Complaint, which are prohibited practices under the following provisions of the VCPA:
- a. § 59.1-200(A)(2), by misrepresenting the source, sponsorship, approval, or certification of goods or services; and
- b. § 59.1-200(A)(14), by using any other deception, fraud, false pretense, false promise, or misrepresentation in connection with a consumer transaction.
- 13. Individual consumers have suffered losses as a result of the aforesaid violations of the VCPA by the Defendant.
 - 14. The Defendant willfully did the acts described herein in violation of § 59.1-200(A)(2)

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff, Commonwealth of Virginia, respectfully prays that this Court enter the Order Approving and Adopting Assurance of Voluntary Compliance filed simultaneously herewith.

COMMONWEALTH OF VIRGINIA, EX REL. MARK R. HERRING, ATTORNEY GENERAL

Bv:

Mark S. Kubiak

Mark R. Herring Attorney General

Cynthia E. Hudson Chief Deputy Attorney General

Rhodes B. Ritenour Deputy Attorney General

David B. Irvin Senior Assistant Attorney General and Chief

Mark S. Kubiak (VSB No. 73119) Assistant Attorney General

Consumer Protection Section 900 East Main Street Richmond, Virginia 23219 Phone: (804) 786-7364

Fax: (804) 786-0122

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of May, 2015, a true copy of the foregoing Complaint was mailed, postage prepaid, to Matthew P. Sullivan, Esquire, Kelley Drye & Warren, LLP, 3050 K Street, NW, Suite 400, Washington, DC 20007, counsel for Sprint Corporation.

Mark S. Kubiak