

DOCKET NO. : RETURN DATE: June 11, 2024
STATE OF CONNECTICUT : SUPERIOR COURT
VS. : JUDICIAL DISTRICT
OF HARTFORD
CSC HOLDINGS, LLC d/b/a/ ALTICE USA : May 13, 2024

COMPLAINT

I. INTRODUCTION

1. This is an action arising under the Connecticut Unfair Trade Practices Act ("CUTPA"), Chapter 735a of the General Statutes, and more particularly General Statutes § 42-110m, to obtain injunctive relief for the Defendant's violation of General Statutes § 42-110b(a), to obtain such other relief as may be necessary to address the injury to consumers resulting from the Defendant's violations of law, for disgorgement of ill-gotten gains, for an accounting and other appropriate relief pursuant to General Statutes § 42-110m(a), and for civil penalties pursuant to General Statutes § 42-110o.

II. PARTIES

2. The Plaintiff, State of Connecticut (the "State"), is represented by William Tong, Attorney General, acting at the request of Bryan Cafferelli, Commissioner of Consumer Protection of the State of Connecticut, pursuant to the authority of Chapter 735a of the General Statutes.

3. The Defendant CSC Holdings, LLC d/b/a/ Altice USA (hereinafter "Altice") is an LLC with a principal place of business in New York.

4. Whenever reference is made in this complaint to any act or practice of Altice, such allegation shall be deemed to mean that the principals, officers, directors, employees, agents, or representatives of Altice did, or authorized, such act or practice on behalf of Altice while actively engaged in the scope of their duties.

IV. JURISDICTION AND VENUE

5. Altice was, at all times relative hereto, engaged in trade or commerce in the State, to wit: marketing, promoting, advertising, offering for sale, selling, and distributing internet services to Connecticut consumers.

6. At all times relevant hereto, Altice has purposefully availed itself of this forum.

7. This Court has jurisdiction over the subject matter of this action and over Altice pursuant to General Statutes §§ 42-110b and 42-110m.

8. Pursuant to General Statutes § 42-110d(d), venue as to all matters between the parties lies in the Connecticut Superior Court for the Judicial District of Hartford.

V. FACTUAL ALLEGATIONS

9. Altice is a communications company which operates in twenty-one states, including Connecticut.

10. Altice's services include internet service under the brand name Optimum, to Connecticut consumers in Fairfield, Litchfield and New Haven counties.

a. Deceptive Advertising and Billing Practices – Network Enhancement Fee

11. Since at least January 2019 and continuing to the present day, Altice charged Connecticut consumers a monthly fee that Altice characterizes as a "Network Enhancement Fee" (the "NEF"). The NEF, which has increased over time from \$2.50 per month to \$6.00 per month,

is charged in addition to a consumer's regular monthly charge for Internet Service. In total, as of January 2023, Altice has collected over [REDACTED] from Connecticut consumers by charging the NEF.

12. Altice expressly represented that it dedicates the [REDACTED] collected from the NEF to enable it to continue to invest in its network and infrastructure.

13. This explanation for the need to charge the NEF did not differ in any meaningful way from Altice's stated reason for general rate increases.

14. Altice misrepresented the nature and purpose of the NEF.

15. Furthermore, Altice listed the NEF on their rate cards under the category "Equipment and Extras," further obfuscating the nature of the NEF. The NEF was listed alongside AppleTV and something known as the CABLEcard, indicating that the NEF was an optional charge, conveying a specific benefit, with no indication that it was a fee charged to all consumers who signed up for Internet Service.

16. Additionally, Altice did not specifically disclose NEF increases to consumers. Instead, Altice disclosed and increased the NEF at the same time as general rate increases.

17. In truth and in fact, Altice [REDACTED]

[REDACTED] [REDACTED]
[REDACTED] The NEF is thus nothing more than a hidden "junk fee." Altice advertised a price for Internet Service that did not include the NEF but actually charged many of its Connecticut customers a higher price that does include the NEF. In this way, Altice was able to advertise an artificially lower price for Internet Service.

b. Deceptive Advertising - Spanish Language Advertisements

18. In certain advertisements for Altice Internet Services in the Spanish Language, Altice did not include material information in Spanish.

19. Rather, certain terms and conditions and disclaimers – including information about the NEF - were printed in English, in violation of Conn. Regs. § 42-110b-21 (1975).

c. Deceptive Advertising - Internet Service Advertisements

20. Altice advertises its Internet speeds by providing the various tiers of upload speeds they offer, and charge rates according to the speed offered.

21. These speeds, however, are not always available.

22. In certain advertisements for Altice internet services, representations about Wi-Fi speeds and additional fees are not clear and conspicuous.

23. In certain television advertisements, certain disclosures about Wi-Fi speeds and limitations on Wi-Fi speeds were provided in gray text on gray backgrounds making them nearly impossible to read and appeared on the screen only for fleeting moments.

24. In certain web-based advertisements, certain disclosures about internet speeds appear only on the second pages of the ads in extremely fine print.

25. In certain direct mail advertisements, speed disclosures are in extremely fine print on the back of the mailer.

26. Consumers are led to believe, therefore, that by selecting and paying for a certain speed of Internet Service, that they will receive this speed of service, when this is not always the case.

VI. CAUSES OF ACTION

COUNT ONE: Deceptive Trade Practices in Violation of CUTPA

27. The allegations contained in paragraphs 1-26 are incorporated by reference as if fully set forth herein.

28. In connection with the advertising, marketing, offering for sale or sale of its Internet Service, Altice misrepresented, directly or indirectly, expressly or by implication:

- a. the true cost of its Internet Service by not including the NEF in the price for that service;
- b. the purpose of the NEF;
- c. increases to the NEF;
- d. material terms and conditions of its Internet Service in Spanish Language advertisements by not including material information in the Spanish Language;
- e. material terms and conditions of its Internet Service by failing to provide information in a color and font and for a duration that were legible and understandable; and
- f. its internet service speeds in internet-based advertisements by providing material information in extremely fine print on the second page of advertisements.

29. Altice's misrepresentations, as described herein, were likely to mislead consumers acting reasonably under the circumstances.

30. Altice's acts and practices, as described herein, were material to consumers' decisions to subscribe to Altice's Internet Service.

31. Altice, therefore, engaged in unfair or deceptive acts or practices in violation of Conn. Gen. Stat. § 42-110b(a).

COUNT TWO: Unfair Trade Practices in Violation of CUTPA

32. The allegations contained in paragraphs 1-31 are incorporated by reference as if fully set forth herein.

33. By engaging in the aforesaid acts and practices, Altice has violated the public policy against making misrepresentations and nondisclosures, against deceptive billing practices, against false advertising, and against violations of the covenant of good faith and fair dealing.

34. Altice's acts and practices, as described herein, are oppressive, unethical, immoral, and unscrupulous.

35. Altice's acts and practices, as described herein, caused substantial injury to consumers.

36. Altice's acts and practices violate public policy as represented by the Federal Trade Commission's proposed rule against Unfair or Deceptive Fees, legislative initiatives to ban so-called junk fees at the federal and state level, and the White House taking on an initiative to combat junk fees.

37. Altice's acts and practices, as described herein, therefore constitute unfair or deceptive acts or practices in violation of General Statutes § 42-110b(a).

COUNT THREE: Per se violation of Regulations of Connecticut State Agencies

§ 42-110b-18(e).

38. The allegations contained in paragraphs 1-37 are incorporated by reference as if fully set forth herein.

39. By engaging in the aforesaid acts and practices, Altice has misrepresented the nature, characteristics, uses, benefits, or qualities of its Internet Service in violation of Regulations of Connecticut State Agencies § 42-110b-18(e).

40. Specifically, Altice advertised its services by providing download and upload speeds for which it charges different prices, with higher speeds costing more.

41. Altice, however, did not disclose in a clear and conspicuous manner that these speeds are dependent upon various factors such as whether the user is on Wi-Fi or connected to a modem; and in some instances, the advertised speeds are not achievable.

42. In this way, Altice misrepresented the characteristics and qualities of its upload and download speeds, and yet charged a premium for upload and download speeds above its basic internet service, in violation of Regulations of Connecticut State Agencies § 42-110b-18(e).

COUNT FOUR: Per se violation of Regulations of Connecticut State Agencies

§ 42-110b-22.

43. The allegations contained in paragraphs 1-42 are incorporated by reference as if fully set forth herein.

44. By engaging in the aforesaid acts and practices, Altice has misrepresented the nature, characteristics, uses, benefits, or qualities of its Internet Service by failing to advertise the full and true cost of that service in violation of Regulations of Connecticut State Agencies § 42-110b-22.

45. Specifically, when Altice advertised its prices for various speeds of internet upload and speeds, it does so with one headline price. This price did not include the NEF, which

is a fee that Altice imposed for a time on all of its customers including new ones. The headline price, therefore, was not what Altice advertised, but was actually higher, given the imposition of the NEF.

46. Disclosure of the NEF appeared variously in fine or hard to read print, and for at least some period of time, was not disclosed at the point of sale.

47. In this way, Altice has misrepresented the full and true cost of Internet Service in violation of Regulations of Connecticut State Agencies § 42-110b-22.

COUNT FIVE: Per se violation of Regulations of Connecticut State Agencies

§ 42-110b-21.

48. The allegations contained in paragraphs 1-47 are incorporated by reference as if fully set forth herein.

49. By engaging in the aforesaid acts and practices, Altice has misrepresented the nature, characteristics, uses, benefits and qualities of its internet service in violation of Connecticut State Agencies § 42-110b-21, providing that it shall be an unfair or deceptive act or practice to disseminate any advertisement in a language other than English without including therein all required disclosures or limitations on the offer advertised in the language principally used in the advertisement.

50. Specifically, Altice sent approximately [REDACTED] direct mailers making offers to consumers in Spanish, but the disclosures related to the offers were in English, including those related to the NEF.

51. In that way, Altice has disseminated advertisements in a language other than English without including all disclosures on the offer in the language principally used in the advertisement in violation of Connecticut State Agencies § 42-110b-21.

COUNT SIX: Willfulness

52. The allegations contained in paragraphs 1-51 are incorporated by reference as if fully set forth herein.

53. Altice engaged in the aforementioned unfair trade acts or practices alleged herein when it knew, or should have known, that its conduct was unfair or deceptive in violation of Conn. Gen. Stat. § 42-110b(a).

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff claims the following relief:

1. An order pursuant to General Statutes § 42-110m(a), enjoining Altice from further violation of CUTPA.
2. An order pursuant to General Statutes § 42-110m(a), directing the Defendants to pay restitution.
3. An order pursuant to General Statutes § 42-110o(b), directing the Defendants to pay civil penalties for each willful violation of General Statutes § 42-110b(a).
4. An order pursuant to General Statutes § 42-110m(a), directing the Defendants to disgorge all revenues, profits and gains achieved in whole or in part through the unfair and/or deceptive acts or practices complained of herein.
5. An award of attorneys' fees, pursuant to General Statutes § 42-110m(a).
6. Such other and further relief as the Court deems appropriate.

Dated: March 13, 2024

STATE OF CONNECTICUT
DEPARTMENT OF
CONSUMER PROTECTION,

WILLIAM TONG
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STATEMENT OF AMOUNT IN DEMAND

The Plaintiff states that the amount in demand is greater than \$15,000, exclusive of interest and costs.

STATE OF CONNECTICUT,
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