



RIVERSIDE COUNTY DISTRICT ATTORNEY
NEWS RELEASE
MIKE HESTRIN, DISTRICT ATTORNEY

WEBSITE: WWW.RIVCODA.ORG

TWITTER: @RIVCODA

FOR IMMEDIATE RELEASE
FEB. 20, 2020

CONTACT: JOHN HALL
PUBLIC INFORMATION OFFICER
951.955.8662

DA HESTRIN ANNOUNCES \$18.8 MILLION SETTLEMENT WITH TIME WARNER CABLE

RIVERSIDE – Today, Feb. 20, 2020, District Attorney Mike Hestrin announced an \$18.8 million settlement with Time Warner Cable on behalf of more than 170,000 consumers across the state who paid for internet speeds they did not actually receive.

“It is important for Riverside County residents to know that they are getting a fair shake,” DA Hestrin said. “Corporations must absolutely abide by the law. This enormous settlement shows the potential result if they do not.”

The lawsuit, filed in Los Angeles County Superior Court by the District Attorneys of Riverside, Los Angeles, and San Diego counties, alleged unlawful business practices. Specifically, prosecutors accused Time Warner Cable, beginning in 2013, of using misleading advertising practices to lure consumers to pay for high-speed internet services the company could not deliver.

Under the settlement, \$16.9 million in restitution will be distributed directly to eligible customers based on the type of service they purchased from Time Warner Cable. The majority of restitution will be returned to consumers through automatic credits on their monthly cable/internet bills from Spectrum, the parent company of Time Warner Cable, LLC, following a May 2016 merger.

In addition, all Time Warner Cable internet customers in California will be offered either of two free services. Those who are television cable subscribers will receive three free months of Showtime, if they do not already subscribe to Showtime, valued at \$45. Customers with only internet services will be offered one free month of an entertainment streaming package, Spectrum Choice, valued at approximately \$40. The total value of these free service offers will depend on how many people sign up.

Time Warner Cable also agreed to pay \$1.9 million to the three prosecuting agencies in the case to cover costs associated with the investigation and prosecution of this and future consumer protection cases. The amount will be split evenly among the three agencies.

As a result of this lawsuit, Time Warner Cable also agreed to a prohibition on advertising internet speeds it knows or should know it cannot consistently deliver during peak hours. The company also is required to ensure that its customers are issued equipment that can deliver advertised speeds.

Some customers were issued outdated modems, making it impossible for them to receive the higher bandwidth they purchased. Others paid for higher internet speeds that Time Warner’s infrastructure could not deliver. They are eligible to receive approximately \$90 in a one-time credit on their cable/internet bills. A few consumers who both were issued outdated modems and paid for higher internet speeds will be eligible to receive approximately \$180 in credit. Spectrum must automatically issue credits to all eligible consumers within 60 days.

Time Warner Cable cooperated in the investigation and resolution of this case but did not admit liability.

Deputy District Attorney Evan Goldsmith of the DA’s Consumer Protection Team handled the case on behalf of the Riverside County DA’s Office.

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