

# AT&T Consumer Arbitration Agreement

AT&T's Consumer Arbitration Agreement (also sometimes called an "arbitration clause" or "arbitration provision") is at Part 1.3.2 of your [Consumer Service Agreement](#). This summary outlines how it works.

## Summary

Disputes between you and AT&T will be resolved through our informal dispute resolution process, individual arbitration, or small claims court. The informal dispute resolution process gives you the opportunity to explain what happened to someone in, or working with, our legal department. Under the terms of this Agreement, AT&T is encouraged to resolve issues early, without going any further.

An "arbitration" is a less formal alternative to a lawsuit or jury trial in court. A neutral third party, called an arbitrator, decides the dispute. The arbitrator applies the same law and can award the same individualized remedies that a court could award, but uses streamlined procedures and limits discovery to simplify the process and reduce costs. The arbitrator's decision is legally binding, and it is subject to very limited review by courts. **You and AT&T agree that arbitration will take place on an individual basis. Class arbitrations, class actions, and representative actions are not permitted. This means that you and AT&T will neither file a lawsuit (in any court other than a small claims court), nor pursue or participate in an action seeking relief on behalf of others.**

*While subsection 1.3.2 lays out the specifics, here are the steps you would take to resolve a dispute:*

- **Contact customer service.** We encourage you to give customer service a call first. A phone call, chat session, or email with us is usually the quickest way to resolve an issue. Check out [att.com/contactus](http://att.com/contactus) to find the right service or product team for your issue.
- **You choose.** If you aren't satisfied after talking to customer service, you can choose to file your individual claim in small claims court or send us a Notice of Dispute, which is required before starting arbitration.
- **Let's work it out.** If you decide not to go to small claims court, start the informal dispute resolution process by sending a Notice of Dispute to our legal department, which you can [complete and send online](#). You and AT&T agree to give each other at least 60 days to share information and try to reach an agreement. (We'll use the same process if we have a dispute with you.) At your or our request, we'll schedule an Informal Settlement Conference to try to reach an agreement by phone or videoconference.
- **Pursue an arbitration.** If the dispute still isn't resolved, you can pursue an individual arbitration. The nation's largest non-profit arbitration provider, the American Arbitration Association (AAA), will administer the arbitration and select the neutral arbitrator, with input from both you and AT&T. Some things to keep in mind:
  - AT&T will usually pay all of the arbitration fees (with some exceptions).
  - Any hearings will be in the same county as your billing address, or they might be held by phone or videoconference.

- In some cases, if you win, we will pay double attorney's fees (if any) and a minimum of \$10,000.

There are special rules for coordinated (or mass) arbitrations, where the same lawyers or a group of coordinated lawyers seek to file 25 or more similar arbitrations. If you choose to be part of those proceedings, the cases will proceed in stages, so it might take longer to arbitrate your dispute than it would otherwise.

## 1.3.2 Arbitration Agreement

### 1.3.2.1 Claims Subject to Arbitration:

To the greatest extent permitted by law, AT&T and you agree to arbitrate all disputes and claims between you and AT&T, except for claims arising from bodily injury or death. This arbitration provision is intended to be broadly interpreted. It includes, but is not limited to:

- claims arising out of or relating to any aspect of the relationship between us, whether based in contract, tort, fraud, misrepresentation, or any other statutory or common-law legal theory;
- claims that arose before the existence of this or any prior Agreement (including, but not limited to, claims relating to advertising);
- claims for mental or emotional distress or injury not arising out of bodily injury;
- claims that are currently the subject of purported class action litigation in which you are not a member of a certified class; and
- claims that may arise after the termination of this Agreement.

References in Section 1.3 to "AT&T" or "we" include our past, present, and future parents, subsidiaries, affiliates, and related entities, as well as AT&T's and all of those entities' officers, agents, employees, licensors, predecessors in interest, successors, and assigns. References in Section 1.3 to "you" include your past, present, and future parents, subsidiaries, affiliates, related entities, agents, employees, predecessors in interest, successors, and assigns; and all authorized or unauthorized users or beneficiaries of AT&T Services or products under past, present, or future Agreements between you and AT&T.

**Small Claims Option.** Despite this arbitration provision, either you or AT&T may bring an action seeking only individualized relief in the small claims court for the county (or parish) of your billing address, so long as the action is not removed or appealed to a court of general jurisdiction.

This arbitration provision does not preclude you from bringing issues to the attention of federal, state, or local agencies, including, for example, the Federal Communications Commission. Those agencies can, if the law allows, seek relief against us on your behalf. **By entering into this Agreement, you and AT&T are each waiving the right to a trial by jury or to participate in a class action.** This Agreement evidences a transaction in interstate commerce, and thus the Federal Arbitration Act governs the interpretation and enforcement of this arbitration provision. This arbitration provision will survive termination of this Agreement.

### 1.3.2.2 Pre-Arbitration Informal Dispute Resolution Process:

Customer service is available to help and usually can resolve any concerns you may have. If that does not work, the first step in the dispute resolution process is to send a written Notice of Dispute (“Notice”). (We’ll also send you a Notice to your billing address if we have a dispute with you.) You may download the Notice form at [att.com/arbitration-forms](http://att.com/arbitration-forms). The Notice to AT&T may be sent by U.S. mail or professional courier service to Legal Department - Notice of Dispute, AT&T, 208 S. Akard, Office #2900.13, Dallas, Texas 75202 (the "Notice Address"), or, alternatively, submitted electronically by following the instructions at [att.com/noticeofdispute](http://att.com/noticeofdispute). The Notice must include all of the information requested on the Notice form, including: (a) the claimant’s name, address, and phone number; (b) the Account number at issue; (c) the services (if any) to which the claim pertains; (d) a description of the nature and basis of the claim or dispute; and (e) an explanation of the specific relief sought and the basis for the calculations. The Notice must be personally signed by you (if you are the claimant) or by an AT&T representative (if we are the claimant). To safeguard your Account, you might be required to provide both your authentication and consent for us to discuss your Account or share your Account information with anyone but you, including an attorney (“Authentication and Consent”).

Whoever sends the Notice must give the other party 60 days after receipt of a complete Notice (including your Authentication and Consent, if required) to investigate the claim. During that period, either you or AT&T may request an individualized discussion (by phone call or videoconference) regarding settlement (“Informal Settlement Conference”). You and AT&T must work together in good faith to select a mutually agreeable time for the Informal Settlement Conference (which can be after the 60-day period). You and an AT&T representative must personally participate, unless otherwise agreed in writing. Your and AT&T’s lawyers (if any) also can participate.

**Any applicable statute of limitations or contractual limitations period will be tolled** for the claims and requested relief in the Notice during the “Informal Resolution Period.” The Informal Resolution Period is the number of days between the date that the complete Notice (and Authentication and Consent, if required) is received by the other party, and the later of (1) 60 days later or (2) the date the Informal Settlement Conference is completed, if timely requested.

Any arbitration proceeding cannot be commenced until after the Informal Resolution Period has ended. (Subsection 1.3.2.7 contains additional requirements for commencing certain coordinated arbitrations.) All of the pre-arbitration dispute resolution requirements are essential so that you and AT&T have a meaningful chance to resolve disputes informally. If any aspect of these requirements has not been met, a court can enjoin the filing or prosecution of an arbitration. In addition, unless prohibited by law, the AAA may not accept, administer, assess, or demand fees in connection with such an arbitration. If the arbitration already is pending, it must be dismissed.

### **1.3.2.3 Arbitration Procedure:**

You may download a form to initiate arbitration at [att.com/arbitration-forms](http://att.com/arbitration-forms). In addition, information on how to commence an arbitration proceeding, including how to file a consumer arbitration online, is at [adr.org/support](http://adr.org/support). A copy of the arbitration demand must be sent to AAA and the Notice Address, and a copy of the Notice must be attached to your arbitration demand.

The arbitration will be governed by the then-current Consumer Arbitration Rules (“AAA Rules”) of the AAA, as modified by this arbitration provision, and will be administered by AAA. (If AAA refuses to enforce any part of this arbitration provision, you and AT&T will select another arbitration provider. If

there is no agreement, the court will do so.) The AAA Rules are available online at [adr.org](http://adr.org) or may be requested by writing to the Notice Address. (You may obtain information that is designed for non-lawyers about the arbitration process at [att.com/arbitration-information](http://att.com/arbitration-information).)

As in court, you and AT&T agree that any counsel representing someone in arbitration certifies that they're complying with the requirements of Federal Rule of Civil Procedure 11(b), including a certification that the claim or the relief sought is neither frivolous nor brought for an improper purpose. The arbitrator is authorized to impose any sanctions available under AAA Rules, Federal Rule of Civil Procedure 11, or applicable federal or state law against all appropriate represented parties and counsel.

All issues are for the arbitrator to decide, except only a court can decide the following:

- issues relating to the scope and enforceability of the arbitration provision,
- whether a dispute can or must be brought in arbitration,
- whether the AAA cannot or will not administer the arbitration in accordance with this arbitration provision,
- whether subsection 1.3.2.2 has been complied with or violated for purposes of awarding relief under that subsection that a court can award, and
- whether subsections 1.3.2.6, 1.3.2.7, or 1.3.2.8 have been complied with or violated.

The arbitrator may consider rulings in other arbitrations involving different customers, but an arbitrator's ruling will not be binding in proceedings involving different customers.

Unless you and AT&T agree otherwise, any arbitration hearings will take place in the county (or parish) of your billing address. If your claim is valued at \$10,000 or less, you may choose whether the arbitration will be conducted solely based on documents submitted to the arbitrator or through a telephonic, videoconference, or in-person hearing under AAA Rules. If your claim exceeds \$10,000, the right to a hearing will be determined by AAA Rules. During the arbitration, the amount of any settlement offers must not be disclosed to the arbitrator until after the arbitrator determines the relief, if any, to which you or AT&T is entitled. Regardless of how the arbitration is conducted, the arbitrator must issue a reasoned written decision sufficient to explain the essential findings and conclusions on which his or her decision is based. Except as provided in subsection 1.3.2.6 below, the arbitrator can award the same damages and relief that a court can award under applicable law.

#### **1.3.2.4 Arbitration Fees:**

We will pay all AAA filing, administration, case-management, hearing, and arbitrator fees if we initiate an arbitration. If you initiate arbitration of claims valued at \$75,000 or less, we will pay those fees, so long as you have fully complied with the requirements in subsection 1.3.2.2. In such cases, we will pay the filing fee directly to AAA upon receiving a written request from you at the Notice Address or, if AAA requires you to pay the filing fee to commence arbitration, we will send that amount to AAA and request that AAA reimburse you. If, however, the arbitrator finds that either the substance of your claim or the relief sought is frivolous or brought for an improper purpose (as measured by the standards set forth in Federal Rule of Civil Procedure 11(b)), then the allocation and payment of all such fees will be governed by AAA Rules.

#### **1.3.2.5 Alternative Payment and Attorney Premium:**

If you fully complied with the requirements above in subsection 1.3.2.2 and the arbitrator issues an award in your favor that is greater than the value of our last written settlement offer made before the arbitrator was selected, then we will:

- pay you the amount of the award or \$10,000 (the "Alternative Payment"), whichever is greater; and
- pay the attorney you retained, if any, twice the amount of attorneys' fees and reimburse any expenses (including expert witness fees and costs) that your attorney reasonably incurs for investigating, preparing, and pursuing your claim in arbitration (the "Attorney Premium").

If we did not make a written offer to settle the dispute before the arbitrator was selected, and the arbitrator awards you any relief on the merits, you and your attorney will be entitled to receive the Alternative Payment and the Attorney Premium, respectively.

Disputes regarding the payment and reimbursement of attorneys' fees, expenses, the Alternative Payment, and the Attorney Premium may be resolved by the arbitrator upon request from either party made within 14 days of the arbitrator's ruling on the merits. In assessing whether an award that includes attorneys' fees and expenses is greater than the value of our last written settlement offer, the calculation will include only the reasonable attorneys' fees and expenses you incurred pursuing this arbitration through the date of our settlement offer.

The right to the Attorney Premium supplements any right to attorneys' fees and expenses you may have under applicable law. Thus, if you would be entitled to a larger amount under the applicable law, this arbitration provision does not preclude the arbitrator from awarding you that amount. However, you may not recover both the Attorney Premium and a duplicative award of attorneys' fees or expenses.

#### **1.3.2.6 Requirement of Individual Arbitration:**

The arbitrator may award relief (including, but not limited to, damages, restitution, declaratory relief, and injunctive relief) only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim. YOU AND AT&T AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN YOUR OR ITS INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING. Further, unless both you and AT&T agree otherwise, the arbitrator may not consolidate more than one person's or entity's claims and may not otherwise preside over any form of a representative, class, private attorney general, or public injunction proceeding.

If a court (after exhaustion of all appeals) declares unenforceable any of these prohibitions on consolidation or non-individualized relief (such as class, representative, private attorney general, or public injunctive relief), then all other aspects of the case must be arbitrated first. After completing arbitration, the remaining (non-arbitrable) aspects of the case will then be decided by a court.

#### **1.3.2.7 Administration of Coordinated Arbitrations:**

If 25 or more claimants submit Notices or seek to file arbitrations raising similar claims and are represented by the same or coordinated counsel (whether such cases are pursued simultaneously or

not), all the cases must be resolved in staged proceedings. **You agree to this process even though it may delay the arbitration of your claim.** In the first stage, claimants' counsel and AT&T will each select 25 cases (50 cases total) to be filed in arbitration and resolved individually by different arbitrators. If feasible, the arbitrators will be from the respective claimants' home states. If there are fewer than 50 cases, all will be filed in arbitration. In the meantime, no other cases may be filed or proceed in arbitration, and the AAA must not assess or demand payment of fees for the remaining cases or administer or accept them.

The arbitrators are encouraged to resolve the cases within 120 days of appointment or as swiftly as possible thereafter, consistent with fairness to the parties. After the first stage is completed, the parties must engage in a single mediation of all remaining cases, and AT&T will pay the mediation fee. If the parties cannot agree how to resolve the remaining cases after mediation, they will repeat the process of selecting and filing 50 cases to be resolved individually by different arbitrators, followed by mediation.

If any claims remain after the second stage, the process will be repeated until all claims are resolved, with four differences. First, a total of 100 cases may be filed in the third and later stages. Second, the cases will be randomly selected. Third, arbitrators who decided cases in the first two stages may be appointed in later stages if different arbitrators are not available. Fourth, mediation is optional at the election of counsel for the claimants.

Between stages, counsel will meet and confer regarding ways to improve the efficiency of the staged proceedings, including whether to increase the number of cases filed in each stage. Either party may also negotiate with AAA regarding the amount or timing of AAA fees.

If this subsection applies to a Notice, the Informal Resolution Period for the claims and relief set forth in that Notice will be extended (including the tolling of any applicable statute of limitations or contractual limitations period for the claims and requested relief) until that Notice is selected for a staged proceeding, withdrawn, or otherwise resolved. A court will have the authority to enforce this subsection, including by enjoining the mass filing, the prosecution or administration of arbitrations, or the assessment or collection of AAA fees.

This subsection and each of its requirements are intended to be severable from the rest of this arbitration provision. If, after exhaustion of all appeals, a court decides that the staging process in this subsection is not enforceable, then the cases may be filed in arbitration and the payment of AAA filing, administration, case-management, hearing, and arbitrator fees will be assessed as the arbitrations advance and arbitrators are appointed rather than when the arbitrations are initiated.

#### **1.3.2.8 Future Changes to Arbitration Provision:**

Notwithstanding any provision in this Agreement to the contrary, if AT&T makes any future change to this arbitration provision (other than a change to the Notice Address), you may reject any such change by sending us written notice via U.S. Mail within 30 days of the first notice of the change to Legal Department – Revised Arbitration Opt-Out, AT&T, 208 S. Akard, Office #2900.13, Dallas, Texas 75202. Include your name, address, phone number, account number, and a statement personally signed by you that you wish to reject the change to the arbitration provision. By rejecting any future change, you are agreeing that you will arbitrate any dispute between you and AT&T in accordance with the language of this version of the arbitration provision.

**1.3.2.9 Puerto Rico Customers:**

For Puerto Rico customers, all references to "small claims court" in this arbitration provision should be understood to mean the Puerto Rico Telecommunications Regulatory Board.