



The Honorable Robert A. Hausler  
Mayor  
City of Plano  
17 E. Main Street  
Plano, IL 60545

Re: Resolution of Franchise Fee Audit Conducted by the City of Plano

Dear Mayor Hausler,

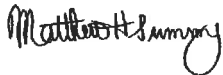
Both the City of Plano ("City") and Comcast of Illinois XIII, L.P. ("Comcast") deem it to be to their mutual benefit to resolve their differences regarding the franchise fee audit ("Audit"). In an effort to resolve these differences, both parties agree to the following:

1. The City, for and in consideration of Comcast making a payment to the City in the amount of sixteen thousand nine hundred forty-three dollars and thirty-four cents (\$16,943.34) ("Recovery Amount") and other good and valuable consideration, the sufficiency of which is hereby acknowledged, shall release Comcast from any and all past, present or future claims, demands, actions, causes of action, suits, judgments, costs and expenses (including attorney fees) related to franchise fees incurred through June 30, 2020 (the "Release").
2. As additional consideration for the Release, Comcast shall provide to the City, on a quarterly basis, covering the service period between July 1, 2020 and December 31, 2021, a report calculating the net revenues remitted to the City as a result of changes made to Comcast customer information in conjunction with the Audit.
3. Comcast will remit the Recovery Amount to the City within twenty-one (21) calendar days of receipt from City countersigning this letter as noted below. The Recovery Amount shall be paid via electronic payment sent directly to the City or by check sent via overnight mail to Mayor Robert A. Hausler at the above address.
4. The parties have entered into this resolution in accordance with the Cable Act (47 USC 521 et. seq.) and Illinois Municipal Code, including without limitation 65 ILCS 5/11-42-11 and the Illinois Constitution of 1970. City and Comcast reserve and do not waive all rights each may have thereunder.

5. To the extent permitted by law, the City and Comcast agree to keep this letter confidential, although it may provide this letter to its outside attorneys, accountants, auditors, and similar individuals or entities that have a legitimate need for the information contained herein. The City shall not affirmatively publicize this resolution to any party. Comcast understands and agrees, however, that the fact that this resolution was reached is a matter of public record. If asked, a City representative or Comcast may reference the fact that an agreement has been reached, and identify the general terms. City representatives and Comcast shall not editorialize as to matters involving the allegations or negotiations leading to this resolution. Customer notice as is required by applicable law and regulation, and any communications by Comcast or City related thereto, are not a violation of this resolution.
6. Without waiving any rights under 47 USC 542, City and Comcast agree that each party shall bear its own legal costs, lawyer expenses or attorneys' fees, if any, incurred by it in connection with the subject matter hereof.
7. The consideration received by City is in final settlement of all damages and monies owed for the period prior to and ending June 30, 2020 and shall stand as a complete bar to any action or proceeding to set aside or vacate this resolution because of a mistake in fact or otherwise.

If you concur with the above, countersign the document below. Please don't hesitate to contact me if you have any questions or need additional information.

Sincerely,



Matthew Summy  
Vice President of External Affairs  
Comcast

---

Mayor Robert A. Hausler  
City of Plano

---

Date

## Bob Hausler

---

**From:** Howell, Matthew <MHowell@cozen.com>  
**Sent:** Wednesday, November 04, 2020 2:28 PM  
**To:** Bob Hausler; twgrantlaw@sbcglobal.net  
**Cc:** Danny Song; Scott Shamberg; Grossman, Jonathan  
**Subject:** FW: Plano/Comcast - Azavar Audit Resolution  
**Attachments:** Comcast - Plano Partially Executed Settlement Letter.pdf

Please find the cover email below.

Matt



**Matthew Howell**  
**Associate Attorney | Cozen O'Connor**  
1200 19th Street NW | Washington, DC 20036  
P: 202-912-4879 F: 202-499-2451  
[Email](mailto:matt.howell@cozen.com) | [Map](#) | [cozen.com](http://cozen.com)

**From:** Howell, Matthew  
**Sent:** Friday, September 25, 2020 2:21 PM  
**To:** 'Bob Hausler' <bhausler@cityofplanoil.org>  
**Cc:** Grossman, Jonathan <JGrossman@cozen.com>; 'Danny Song' <DSong@azavar.com>  
**Subject:** Plano/Comcast - Azavar Audit Resolution

PRIVILEGED AND CONFIDENTIAL

Dear Mayor Hausler:

We are writing to you to advise you of a positive development in Azavar's audit of Comcast and to also take care of some administrative issues. We are pleased to report that Azavar's audit has resulted in a settlement offer from Comcast for \$16,943.34. For reasons discussed below, we believe this to be a fair resolution of the audit.

After years of being combative with communities and Azavar over every element of the audit process, in 2018, Comcast changed tactics and offered to instead work collaboratively to resolve outstanding audits. As a result of this collaboration, Azavar and Comcast developed efficient processes to identify and quantify franchise fee underpayments in regards to two significant issues. First, Azavar has worked with Comcast to ensure that all addresses in each community are

properly coded in Comcast's system so that the correct jurisdiction's franchise fee is assessed to the customer and remitted to the community. Incorrectly coded addresses have been corrected so that fees are properly collected on a going forward basis. In addition, Azavar and Cozen have worked with Comcast to calculate the amount that was underpaid to each community.

The second issue we have identified relates to certain sources of revenue generated by Comcast that have been wrongly excluded from the definition of "gross revenue" as defined in the franchise agreement. To determine the exact amount of revenue that was underpaid, Azavar contracted with an accounting firm to conduct an in-depth audit of all revenues generated by Comcast in each of 10 communities. These "gross revenue" audits took approximately nine months to complete and required significant time on the part of both the accounting firm and of Comcast. Once these audits were completed, each community then negotiated with Comcast an amount that Comcast would pay for the past "gross revenue" errors. Following completion of this first group of audits, Comcast proposed that, rather than incurring the time and expense of conducting an individual audit for each community, it would instead compensate other communities based on the resolutions for the first group. After some negotiations, Comcast agreed to propose to compensate each community in the amount of \$1.70 per subscriber. We believe this to be a fair resolution.

For Plano, therefore, Comcast has proposed to resolve the audit for the following amount. We believe this to be a fair resolution.

Gross revenue compensation:	\$ 2,555.10
Address errors (including interest):	\$ 14,388.24
Total proposed resolution:	\$ 16,943.34

Please confirm that this resolution is acceptable to Plano, subject to any council approval that may be required. Please find attached a settlement letter we have received from Comcast resolving this matter. If you have any comments on the language, please let us know and we will send any requested changes to Comcast. If there are no comments on the language, please advise us as to what council approval procedures, if any, are required prior to countersignature.


Finally, we wanted to outline for you the process for resolving this matter and for paying Azavar's fees, which is as follows:

1. You confirm approval of the settlement amount and the settlement letter (all subject to council approval, if required).
2. Plano countersigns the letter, sends it to Cozen, and we send it to Comcast.
3. Comcast pays Plano by check or electronic means within 21 days.
4. Azavar bills Plano for its 45% commission on the settlement amount.

In addition to the settlement, Plano also is receiving increased franchise fees on a going forward basis after the address changes were made during the second quarter of 2020. Per Plano's agreement with Azavar, Azavar is also entitled to a 45% commission on such revenues for 36 months, starting as of July 2020. We have a good estimate of the amount of these additional revenues because we have already been provided with the amount of unpaid franchise fees for the period before the corrections were made. Azavar will initially bill Plano on that basis. In order to verify these amounts, however, Comcast has agreed to provide the exact franchise fees paid on the changed addresses for 18 months after the change. Azavar will use this data to bill or credit Plano for the difference between the actual and estimated amounts for the initial 18 months. For the final 18 months after this initial 18 month period, Azavar will bill based on the final 12 months of actual data that we have from Comcast. If you have any concerns about Azavar billing as set forth above, please let us know.

Thank you for your patience as Azavar, Cozen, and Comcast have worked through these matters. If you have any questions, please do not hesitate to contact me by phone or e-mail.

Best regards,  
Jonathan

 **COZEN  
O'CONNOR**

---

Jonathan M. Grossman  
Member | Cozen O'Connor  
1200 19<sup>th</sup> St, NW | Washington, DC 20036  
P: 202-912-4866 M: 202-669-7750  
[Email](#) | [Bio](#) | [LinkedIn](#) | [Map](#) | [oozen.com](#)

***Notice: This communication, including attachments, may contain information that is confidential and protected by the attorney/client or other privileges. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, an employee or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail and promptly delete this e-mail, including attachments without reading or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful. Receipt by anyone other than the intended recipient(s) is not a waiver of any attorney/client or other privilege.***