FILE NO. 250778 ORDINANCE NO. 183-25

[Settlement of Lawsuit - U.S. Telepacific Corp., dba TPx Communications - City to Receive $3,660,000]

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco ex rel. Roger Schneider against U.S. Telepacific Corp., dba TPx Communications ("TPx") for $3,660,000; the lawsuit was filed on January 29, 2020, in San Francisco Superior Court, Case No. CGC-20-582552; entitled City and County of San Francisco ex rel. Roger Schneider v. AT&T Corporation, et al.; the lawsuit involves allegations that TPx and other telecommunications companies knowingly under-collected and under-remitted amounts due under the Access Line Tax Ordinance in violation of the California False Claims Act; other material terms of the settlement are that TPx will collect and remit access line taxes in a certain manner in the future absent a material change in the law.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby authorizes the City Attorney to settle the action entitled City and County of San Francisco ex rel. Roger Schneider v. AT&T Corporation, et al., San Francisco Superior Court, Case No. CGC-20-582552, with respect to U.S. Telepacific Corp., dba TPx Communications ("TPx"), by TPX's payment of $3,660,000, TPXs's agreement to collect and remit access line taxes in a certain manner in the future unless there is a material change in the law, and mutual releases for past conduct and access line tax liability. The lawsuit involves allegations that the defendants knowingly under-collected and under-remitted amounts due under the Access Line Tax Ordinance in violation of the California False Claims Act.

Section 2. The above-named action was filed in San Francisco Superior Court on January 29, 2020, and the following parties were named in the lawsuit: Plaintiff-Relator Roger

Schneider; Real Party in Interest City and County of San Francisco; Defendants AT&T Corporation; Pacific Bell Telephone Company; U.S. Telepacific Corp., dba TPx Communications; MCI Communications Services LLC; MCImetro Access Transmission Services LLC; Verizon Business Network Services LLC; and XO Communications Services, LLC.

APPROVED AS TO FORM AND RECOMMENDED:

DAVID CHIU
City Attorney

/s/ Sara J. Eisenberg
SARA J. EISENBERG
Chief of Complex and Affirmative Litigation

RECOMMENDED:

Office of the Treasurer and Tax Collector

/s/ Jose Cisneros
JOSE CISNEROS
Treasurer

City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 250778 **Date Passed:** September 16, 2025

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco ex rel. Roger Schneider against U.S. Telepacific Corp., dba TPx Communications ("TPx") for $3,660,000; the lawsuit was filed on January 29, 2020, in San Francisco Superior Court, Case No. CGC-20-582552; entitled City and County of San Francisco ex rel. Roger Schneider v. AT&T Corporation, et al.; the lawsuit involves allegations that TPx and other telecommunications companies knowingly under-collected and under-remitted amounts due under the Access Line Tax Ordinance in violation of the California False Claims Act; other material terms of the settlement are that TPx will collect and remit access line taxes in a certain manner in the future absent a material change in the law.

September 04, 2025 Government Audit and Oversight Committee - RECOMMENDED AS COMMITTEE REPORT

September 09, 2025 Board of Supervisors - PASSED, ON FIRST READING

September 16, 2025 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Chan, Chen, Engardio, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill and Walton
Excused: 1 - Dorsey

File No. 250778

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 9/16/2025 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Daniel Lurie
Mayor

9.18.25

Date Approved