Docket # 318-5-15 Cncv

IN THE MATTER OF:

2015 MAY 20 P 12:45

Equifax Information Services LLC,
Experian Information Solutions, Inc., and
TransUnion LLC

FILED

ASSURANCE OF VOLUNTARY COMPLIANCE/
ASSURANCE OF VOLUNTARY DISCONTINUANCE

This Assurance of Voluntary Compliance/Assurance of Voluntary Discontinuance ("Settlement" or "Assurance") is entered into between the States of Alabama, Alaska, Arizona, Arkansas, Florida, Georgia,[1] Hawaii,[2] Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Missouri, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, and Wisconsin (the "States" or individually, a "State"), acting through their respective Attorney General, Departments of Justice, or Offices of Consumer Protection ("Attorneys General"), and the consumer reporting agencies Equifax Information Services LLC, Experian Information Solutions, Inc., and TransUnion LLC (each, a "CRA," and collectively, the "CRAs"), to settle concerns that the CRAs' conduct has violated the Fair Credit Reporting Act (the "FCRA," 15 U.S.C. § 1681 et seq.) and the States' consumer protection laws relating to unfair and deceptive

[1] The State of Georgia is represented in this matter by the Georgia Governor's Office of Consumer Protection, an agency that is not part of the Georgia Attorney General's Office but is authorized to enforce Georgia's Fair Business Practices Act ("FBPA"). For simplicity, the term "Attorneys General" shall include the Administrator of the FBPA.

[2] Hawaii is being represented in this matter by its Office of Consumer Protection, an agency which is not part of the state Attorney General's Office, but which is statutorily authorized to undertake consumer protection functions, including legal representation of the State of Hawaii. For simplicity, the entire group will be referred to as the "Attorneys General," and such designation, as it includes Hawaii, refers to the Executive Director of the State of Hawaii Office of Consumer Protection.

business acts and practices.[3] The States and the CRAs have agreed to execute this Assurance for the purposes of settlement only.

I. BACKGROUND

A. This Settlement is the result of the CRAs working cooperatively with the Attorneys General of the States.

B. The States have each enacted a statute relating to unfair and deceptive business acts and practices.

C. The States and the CRAs jointly acknowledge the various findings and statement of purpose expressed by Congress in section 602 of the Fair Credit Reporting Act (the "FCRA," 15 U.S.C. § 1681 et seq.), including: (i) the banking system is dependent upon fair and accurate credit reporting, which is directly impaired by inaccurate credit reports, and public confidence essential to its continued functioning is undermined by unfair credit reporting methods; (ii) the CRAs play a vital role in assembling and evaluating consumer credit information, utilizing an elaborate mechanism for investigating and evaluating the credit worthiness, credit standing, credit capacity,

[3] See generally Ala. Code §§ 8-19-1 to 8-19-15; Alaska Stat. §§ 45.50.471 to 45.50.561; Ariz. Rev. Stat. Ann. §§ 44-1521 to 44-1534; Ark. Code Ann. §§ 4-88-101 to 4-88-905; Fla. Stat. §§ 501.201 to 501.213; Ga. Code Ann. §§ 10-1-390 to 10-1-407; Haw. Rev. Stat. §§ 480-1 to 480-24; Idaho Code Ann. §§ 48-601 to 48-619; 815 Ill. Comp. Stat. 505/1 to 505/12; Ind. Code §§ 24-5-0.5-0.1 to 24-5-0.5-12; Iowa Code §§ 714.16 to 714.16A; Kan. Stat. Ann. §§ 50-623 to 50-679a; La. Rev. Stat. Ann. §§ 51:1401 to 51:1427; Me. Rev. Stat. Ann. tit. 5, §§ 205A to 214; Md. Code Ann., Com. Law §§ 13-101 to 13-501 (West); Mass. Gen. Laws Ann. ch. 93A, §§ 1 to 11; Mich. Comp. Laws §§ 445.901 to 445.922; Mo. Rev. Stat. §§ 407.010 to 407.1500; Neb. Rev. Stat. §§ 59-1601 to 59-1623 and §§ 87-301 to 87-306; Nev. Rev. Stat. §§ 598.0903 to 598.0999; N.M. Stat. §§ 57-12-1 to 57-12-26; N.C. Gen. Stat. §§ 75-1.1 to 75-16.2, § 75-41; N.D. Cent. Code §§ 51-15-01 to 51-15-11; Ohio Rev. Code Ann. §§ 1345.01 to 1345.13 (West); Or. Rev. Stat. §§ 646.605 to 646.656; 73 Pa. Stat. Ann. §§ 201-1 to 201-9.3 (West); R.I. Gen. Laws §§ 6-13.1-1 to 6-13.1-29; Tenn. Code Ann. §§ 47-18-101 to 47-18-130; Tex. Bus. & Com. Code Ann. §§ 17.41 to 17.63 (West); Vt. Stat. Ann. tit. 9, §§ 2451 to 2481x; Wis. Stat. §§ 100.18(1), (2), (9) & (11), 100.195, 100.20, 100.313, 100.52, 100.54, 100.545 & 100.55.

character, and general reputation of consumers; (iii) it is important for the CRAs to exercise their grave responsibilities with fairness, impartiality, and a respect for consumers' right to privacy; and (iv) the FCRA requires the CRAs to adopt reasonable procedures for meeting the needs of commerce for consumer credit, personnel, insurance, and other information in a manner which is fair and equitable to the consumer, with regard to the confidentiality, accuracy, relevancy, and proper utilization of such information in accordance with the requirements of the FCRA.

D. The States, acting through an Executive Committee, initiated a multistate investigation into certain segments of the credit reporting industry to examine concerns and disputes presented by consumers to the States regarding various credit reporting issues, including concerns that the CRAs do not maintain reasonable procedures to assure maximum possible accuracy of consumer reports or credit reports, do not maintain reasonable procedures to conduct reasonable reinvestigations of consumer disputes, engage in improper disclosure or marketing practices relating to the sale of direct-to-consumer products to consumers during credit report dispute phone calls, and do not maintain reasonable procedures designed to prevent the reappearance in consumer reports or credit reports of information that is deleted or suppressed from display in such consumer reports or credit reports pursuant to a reinvestigation.

E. The CRAs fully cooperated in the States' investigation. Specifically, the States issued subpoenas to each of the CRAs, and the CRAs produced a substantial volume

of documents and information in response. The States and the CRAs also met on multiple occasions to discuss the issues raised in the States' investigation.

F. The CRAs deny wrongdoing of any kind and assert that they have fully complied with all federal and state laws that govern their credit reporting activities, have not violated the FCRA or any other applicable state or federal law, and have voluntarily agreed to undertake the substantive actions set forth in Section IV(E)-(H) of this Settlement, although the CRAs contend these actions are not required under the FCRA or other applicable legal standards.

II. DEFINITIONS

For purposes of this Settlement, the CRAs and the States adopt the definitions set forth in the FCRA, 15 U.S.C. § 1681a, as that provision shall be modified or amended in the future. In addition, the following terms not defined in the FCRA but used herein shall have the following meanings for purposes of this Settlement only.

A. "ACDV" shall mean Automated Credit Dispute Verification, an automated dispute form that is initiated by a CRA on behalf of a consumer and routed to the appropriate furnisher for review and update or verification.

B. "Affiliate" shall mean an entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, any of the CRAs.

C. "AUD" shall mean Automated Universal Data, an automated form used for out-of-cycle credit history updates that is initiated by the furnisher.

D. "Completion Date" shall mean three (3) years and ninety (90) days following the Effective Date.

E. "CRA" shall mean, in their individual and separate capacities, Equifax Information Services LLC, Experian Information Solutions, Inc., and TransUnion LLC, each a party to this Assurance and a consumer reporting agency that compiles and maintains files on consumers on a nationwide basis, as set forth in the FCRA, 15 U.S.C. § 1681a(p).

F. "CRAs" shall mean, collectively, Equifax Information Services LLC, Experian Information Solutions, Inc., and TransUnion LLC, in their capacities as consumer reporting agencies that compile and maintain files on consumers on a nationwide basis, as set forth in the FCRA, 15 U.S.C. § 1681a(p). Any reference to "the CRAs" in this Assurance shall require that each CRA individually take the required action set forth in the Assurance.

G. "e-OSCAR" shall mean the Online Solution for Complete and Accurate Reporting, a browser-based system for conveying consumer disputes to furnishers and for furnishers to convey the results of their reinvestigations to the CRAs, designed in part in furtherance of compliance with the FCRA, 15 U.S.C. § 1681i(a)(5)(D).

H. "Effective Date" shall mean the date on which this Settlement is signed and fully executed by all parties hereto.

I. "Executive Committee" shall mean the Attorneys General and their staff representing the States of Georgia, Idaho, Illinois, Maine, Nevada, North Carolina, Ohio, Oregon, and Pennsylvania.

J. "Implementation Schedule" shall mean the timeframe for implementation of the substantive terms of this Settlement, as further set forth in Section III of this Settlement.

K. "Original Creditor" shall mean the name of the original credit grantor as reflected in the K1 Segment in Metro 2 and shall be construed consistent with the Credit Reporting Resource Guide.

L. "Supporting Dispute Documentation" shall mean a document submitted by a consumer who has initiated a dispute, other than a document created by the consumer or the consumer's own statement of dispute, that has some objective indication that a party with direct involvement or authority regarding the disputed item of information in the consumer's file has played a role in creating the document.

M. All other terms defined elsewhere in this Settlement are so defined, and shall have such meanings as set forth where defined, for purposes of this Settlement only, including the following terms: Assurance; Attorneys General; Collection Furnishers; Confirmed Mixed File; Creditor Classification Codes; Death Notice; Disputed Deceased Indicator; State and States; Settlement; and Working Group.

III. IMPLEMENTATION SCHEDULE

Within ninety (90) days of the Effective Date, each of the CRAs shall provide the States' Executive Committee with an Implementation Schedule that shall set forth the expected schedule for implementation of each of the substantive policies, practices, and procedures set forth in Section IV(E)-(H) of this Settlement. To the extent there are any differences between the descriptions of the substantive policies, practices, and procedures set forth in Section IV(E)-(H) of this Settlement and those set forth in the Implementation Schedule, the provisions of Section IV(E)-(H) of this Settlement shall control.

The Implementation Schedule shall set forth three phases of implementation, including scheduled dates by which each phase will be completed, as follows:

A. **Phase 1**: Each of the CRAs shall complete the tasks in Phase 1 within six (6) months of the Effective Date.

B. **Phase 2**: Each of the CRAs shall complete the tasks in Phase 2 within eighteen (18) months of the Effective Date.

C. **Phase 3**: Each of the CRAs shall complete the tasks in Phase 3 by the Completion Date.

Unless otherwise noted in the Implementation Schedule, the policies, practices, and procedures set forth in Section IV(E)-(H) of this Settlement shall all be implemented no later than the Completion Date. A CRA shall provide reasonable notice to the States if the CRA, in good faith, needs to make any significant modifications or other significant changes to the scheduled dates established in the Implementation Schedule. Significant modifications or other

significant changes to the scheduled dates established in the Implementation Schedule may be made with the consent of the Executive Committee, which consent shall not be unreasonably withheld.

IV. POLICIES, PRACTICES, AND PROCEDURES

A. The CRAs shall comply with such State, Federal, and/or local laws, rules and regulations as now constituted or as may hereafter be amended which are applicable to the CRAs, including but not limited to the FCRA and the State Consumer Protection laws cited in footnote 3 of this Settlement.

B. The CRAs shall comply with section 607(b) of the FCRA, 15 U.S.C. § 1681e(b), a copy of which is attached as Exhibit A, by following reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom a consumer report relates whenever the CRAs prepare a consumer report.

C. The CRAs shall comply with section 611 of the FCRA, 15 U.S.C. § 1681i, a copy of which is attached as Exhibit B, including by:

1. Completing reasonable reinvestigations of consumer disputes within thirty (30) days or, if the CRA receives information from the consumer during that thirty (30) day period that is relevant to the reinvestigation, within forty-five (45) days, unless the CRA reasonably determines that the consumer dispute is frivolous or irrelevant, including by reason of a failure by a consumer to provide sufficient information to investigate the disputed information;

2. Providing, before the expiration of five (5) business-days beginning on the date on which the CRA receives notice of a dispute from any consumer, notification of the dispute to any person who provided any item of information in dispute, at the address and in the manner established with the person. The notice shall include all relevant information regarding the dispute that CRA has received from the consumer;

3. After completing a reasonable reinvestigation of any information disputed by a consumer in which the item of information is found to be inaccurate or incomplete or cannot be verified:

   a. Promptly deleting that item of information from the consumer's file or modifying that item of information, as appropriate, based on the results of the reinvestigation; and

   b. Promptly notifying the furnisher of that information that the information has been modified or deleted from the consumer's file;

4. Notifying a consumer that the CRA has terminated its reinvestigation of a consumer dispute, not later than five (5) business days after making such a determination, when the CRA terminates a reinvestigation as frivolous or irrelevant;

5. Maintaining reasonable procedures designed to prevent the reappearance in a consumer's file, and in consumer reports on the consumer, of information that is

deleted pursuant to a reinvestigation (other than information that is reinserted in accordance with section 611(a)(5)(B) of the FCRA, 15 U.S.C. § 1681i(a)(5)(B));

6. Providing written notice to a consumer of the results of a reinvestigation not later than five (5) business days after the completion of the reinvestigation; and

7. Not reinserting any information that is deleted from a consumer's file pursuant to a reasonable reinvestigation unless the person who furnishes the information certifies that the information is complete and accurate, in which case the CRA shall notify the consumer of the reinsertion not later than five (5) business days after the reinsertion, and provide to the consumer in writing the contact information of the furnisher connected with the reinsertion and a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the disputed information.

D. In addition, pursuant to the Implementation Schedule, each of the CRAs shall undertake the specific actions set forth in Section IV(E)-(H) below, which are intended to: (i) expand on the FCRA's mandate to follow reasonable procedures to assure maximum possible accuracy of data maintained within the CRAs' respective credit reporting databases; (ii) set additional standards for the data reporting practices of furnishers that will further enhance and improve the quality of data reported to the CRAs; (iii) enhance consumers' experiences with the CRAs when disputing items on their credit reports; (iv) enhance and clarify communications to consumers regarding direct-to-consumer products; (v) improve consumer education on best practices for

communicating with and engaging the credit reporting industry—including the CRAs and furnishers—so that consumers better understand the important role they play in fostering accurate credit reporting; and (vi) enhance the mechanisms through which the CRAs monitor furnishers to improve the quality of data received from furnishers, and more easily identify data reporting and dispute response trends.

E. Data Accuracy and Quality

1. Reporting of Collection Data

a. The CRAs shall continue to require collection agencies or debt purchasers ("Collection Furnishers") to furnish the name of the Original Creditor and the Metro 2 creditor classification codes (the "Creditor Classification Codes"). The CRAs shall revise training materials and adopt policies and procedures to notify and instruct Collection Furnishers that the name of the Original Creditor and the use of Creditor Classification Codes are mandatory reporting requirements, and the CRAs shall reject data that is not provided with the name of the Original Creditor and the Creditor Classification Codes after a point in time to be determined by the CRAs following reasonable notice to the Collection Furnishers, as set forth in the Implementation Schedule.

b. The CRAs shall implement a process designed to effectively identify Collection Furnishers who misreport or misuse the Creditor Classification Codes on a recurring basis, such as, for example, by using a default value. The CRAs shall take corrective action against Collection Furnishers identified pursuant to this provision.

c. The CRAs shall prohibit Collection Furnishers from reporting debt that did not arise from any contract or agreement to pay (including, but not limited to, certain fines, tickets, and other assessments).

d. The CRAs shall implement a process designed to effectively remove from the CRAs' respective credit reporting databases any existing data reported by Collection Furnishers relating to the collection of debt that did not arise from a contract or agreement to pay. Such efforts may include, but are not limited to, sharing best practices for key words and screening procedures designed to identify debt that did not arise from any contract or agreement to pay.

e. The CRAs shall require Collection Furnishers to regularly reconcile data relating to accounts in collection that have not been paid in full. This regular reconciliation will be accomplished, in part, by periodic removal or suppression of all collection accounts that have not been updated by the Collection Furnisher within the last six months. In addition, the CRAs shall revise training materials and instruct new and existing Collection Furnishers on accurately reporting and deleting accounts that are sold, transferred, or no longer managed by the reporting entity.

2. Retire Metro 1 Reporting Format

Not later than ninety (90) days following the Effective Date, the CRAs shall announce the full retirement of the Metro 1 data reporting format. Thereafter, at the end of a reasonable notice period that provides furnishers with sufficient time to undertake all

steps necessary to migrate to the Metro 2 data reporting format, the CRAs shall no longer accept any data from furnishers utilizing the Metro 1 data reporting format.

3. Medical Collections

a. To allow appropriate time for insurance remediation and clarity on what a consumer's individual payment obligation is for a medical account, the CRAs shall prevent the reporting and display of medical debt identified and furnished by Collection Furnishers when the date of the first delinquency is less than one hundred and eighty (180) days prior to the date that the account is reported to the CRAs.

b. The CRAs shall instruct Collection Furnishers on the use of the Metro 2 special comment codes of "BP" for debt identified as "paid by insurance" and "AB" for debt identified as "being paid through insurance" and instruct Collection Furnishers to remove or suppress medical accounts reported as "paid by insurance" or "being paid through insurance" if such accounts were in fact paid in full by the consumer's insurance carrier and were not the obligation of the consumer.

c. The CRAs shall implement a process designed to effectively remove or suppress known medical collections furnished by Collection Furnishers from files within the CRAs' respective credit reporting databases when such debt is reported either as having been paid in full by insurance or as being paid through insurance.

4. Authorized User Accounts

a. The CRAs shall prohibit furnishers from reporting authorized users without a date of birth (using month and year) on new accounts opened after the date set forth in the Implementation Schedule and reject data that does not comply with this requirement.

b. The CRAs shall inform furnishers of the mandatory reporting requirement relating to additions of authorized users on newly opened accounts and to reject such data that is not provided with a date of birth (using month and year).

5. Minimum Identification Elements on Trade and Collection Data

To expand the CRAs' capabilities to match new credit data to the file of the appropriate consumer, the Working Group that shall be created pursuant to Section IV(H) of this Settlement shall establish minimum standards for the types of indicative information that furnishers of newly opened trade and collection data shall report to the CRAs in order for the CRAs to accept their data. In establishing these standards, the Working Group shall share and analyze data to help identify trends in furnisher reporting and/or consumer disputes that relate to the lack of a particular type of indicative information in order to determine key issues with particular groups of furnishers or reporting practices.

6. Accuracy of Public Record Data

To expand the maximum possible accuracy of public record data, the Working Group shall establish standards regarding the collection of public record data. In

establishing these standards, the Working Group shall consider: (i) the particular practices of the ultimate data source (e.g., the specific courthouse), including how the public record information is filed and its availability and accessibility; and (ii) whether information relating to the satisfaction of judgments and/or other updates is available on a reasonably timely basis from a given public record data source.

F. Consumer Experience

1. Initiating a Dispute

a. Regardless of whether a dispute is initiated online, by phone, or by mail, the CRAs shall not refuse to accept the disputes solely because the consumer (i) has not recently received a credit report or file disclosure from the CRA, or (ii) does not have or has not supplied an identification number associated with a credit report or file disclosure from the CRA.

b. The CRAs shall eliminate any policies or practices that require a consumer to obtain, or that create the impression that a consumer must obtain, a current report or identification number before disputing the completeness or accuracy of information in his or her file.

2. Dispute Information Sharing Among CRAs

The CRAs shall implement an automated process to share with each other the following dispute outcomes for certain consumer disputes processed outside of e-OSCAR.

a. Deceased Indicators

The CRAs shall implement an automated process to share relevant information about consumers who dispute as inaccurate a tradeline for which the furnisher reports a deceased indicator ("Disputed Deceased Indicator") and for which a CRA has investigated and determined to cease reporting such Disputed Deceased Indicator. The CRAs shall develop and share best practices for identifying and preventing inaccurate reporting of Disputed Deceased Indicators, which shall include, but are not limited to, the following actions.

i. Upon the receipt of any shared Disputed Deceased Indicator, the receiving CRAs shall: investigate whether the Disputed Deceased Indicator is associated with the affected consumer in the CRA's credit database; take reasonable steps to avoid reporting any Disputed Deceased Indicator deemed inaccurate; and take other appropriate action to prevent the Disputed Deceased Indicator deemed inaccurate from reappearing on the affected consumer's credit report, including reporting the inaccurate Disputed Deceased Indicator to the furnisher.

ii. The CRAs shall revise training materials and instruct new and existing furnishers on Metro 2 reporting standards for reporting deceased indicators, such that furnishers: consistently and accurately report deceased indicators only at the consumer level, and not at the account

level; and verify documentation that confirms a consumer's death before reporting deceased indicators to the CRAs.

iii. The CRAs shall analyze the CRAs' shared data on Disputed Deceased Indicators to identify trends in consumer disputes with respect to deceased indicators and to determine whether other appropriate actions should be taken to further increase the maximum possible accuracy of tradelines reported as deceased.

b. Death Notices

The CRAs shall implement an automated process to share relevant information about consumers on whom a CRA has received appropriate proof of death, including, but not limited to, death certificates and letters testamentary (each a qualifying "Death Notice") from the consumer's executor, personal representative, or other authorized person representing the consumer's estate. The CRAs shall develop and share best practices for sharing Death Notices among the CRAs, which shall include, but are not limited to, the following actions.

i. Upon receipt of any shared Death Notice, regardless of whether or not the CRAs received the Death Notice independently, the receiving CRAs shall update the credit file of the affected consumer as if the CRAs had received the Death Notice directly from the consumer's executor, personal representative, or other authorized person representing the consumer's estate.

ii. As part of the consumer education enhancements in Section IV(F)(3) of this Settlement, the CRAs shall update their respective websites and cooperate in the creation and approval of educational material to be included on AnnualCreditReport.com advising consumers and their executors, personal representatives, and other authorized persons representing their estates on what documents constitute a valid documentation of death and that Death Notices shall be shared among the CRAs.

iii. The CRAs shall create a common statement to be included in their written communications to persons submitting Death Notices to inform them that the relevant information about consumers identified as deceased shall be shared among the CRAs.

c. Mixed File Information

The CRAs shall implement an automated process to share relevant information about consumers who dispute information contained in their credit reports when a CRA confirms that a consumer's credit file information was mixed with that of another identified consumer (hereafter referred to as a "Confirmed Mixed File"). The CRAs shall develop and share best practices for sharing Confirmed Mixed File information among the CRAs, which shall include, but are not limited to, the following actions.

i. Upon receipt of notice of a Confirmed Mixed File from another CRA, the receiving CRAs shall: conduct a reasonable investigation into whether the disputed information is associated with the affected consumer in the CRA's credit database; and take reasonable steps to avoid reporting any indicative information or tradelines deemed inaccurate because they belong to another identified consumer.

ii. The CRAs shall analyze their shared data on Confirmed Mixed File information and other data concerning the manner of reporting tradelines and indicative information to determine other appropriate actions, if any, that should be taken to reduce the incidence of Confirmed Mixed Files.

iii. The CRAs shall develop guidelines and procedures for communicating with consumers about mixed files and create educational content about mixed files generally, as part of the consumer education enhancements in Sections IV(F)(3) and IV(F)(7)(e) of this Settlement.

*3. **Enhancing AnnualCreditReport.com**.*

a. Link to Each CRA's Consumer Dispute Website

i. Subject to regulatory approval under the Credit Card Responsibility Accountability and Disclosure Act of 2009 and accompanying regulation, the CRAs shall enhance the consumer experience on AnnualCreditReport.com to include clear and noticeable hyperlinks directly to each CRA's respective online dispute website and instructions

for consumers on how to initiate a dispute at each of those websites regarding information disclosed in consumers' credit reports. The CRAs shall request the regulatory approval necessary under this provision within ninety (90) days of the Effective Date.

ii. The CRAs shall ensure that the landing website pages corresponding to the hyperlinks on AnnualCreditReport.com and corresponding to each CRA's online dispute portal are free from any advertising, marketing offers, or other solicitations.

b. Enhanced Consumer Educational Content

The CRAs shall update their respective websites and cooperate in the approval and inclusion of consistent educational material on AnnualCreditReport.com to improve consumers' understanding of their credit reports, the consumer dispute process and the types of helpful documentation that should be included with the consumer's dispute, and consumers' roles in helping to promote the goal of assuring maximum possible accuracy in consumer credit reporting. In addition, the CRAs shall enhance consumer education, which shall include, but is not limited to, taking the following actions.

i. The CRAs shall review and enhance consumer educational content related to fraud, identity theft, security freezes, data breaches, submission of Death Notices, consumer disputes of credit report information (including,

but not limited to, Disputed Deceased Indicators), and options for consumers who are dissatisfied with the reinvestigation results.

ii. The CRAs shall work with each other to evaluate consumer dispute analytics to determine whether other issues and credit reporting topics are appropriate to develop educational content for inclusion on AnnualCreditReport.com and on the CRAs' respective websites.

iii. The CRAs shall provide links on the CRAs' respective website that direct consumers to educational material on AnnualCreditReport.com.

iv. The CRAs shall cooperate in the approval and inclusion of consistent educational material on AnnualCreditReport.com regarding: (a) how to file a dispute; (b) the types of Supporting Dispute Documentation most likely to aid the resolution of a consumer's dispute; and (c) how to provide Supporting Dispute Documentation to the CRAs.

4. Improving Notifications to Consumers on Reinvestigation Results

a. Following a CRA's reinvestigation of a consumer dispute, the CRA shall provide consumers a notice that contains standardized elements regarding the nature of the reinvestigation and post-dispute options for the consumer, which notice shall supplement, and not supplant, any notices the CRAs are currently required by law to provide consumers. Such standardized elements shall include, but are not limited to, an explanation of:

i. the actions taken by the CRA regarding the consumer's dispute, including, if applicable, contact information for any furnisher involved in responding to the dispute, a description of the role played by the furnisher in the reinvestigation process, and an explanation of the furnisher's certification of compliance that governs the furnisher's investigative obligations;

ii. the results of the consumer's dispute, including, if applicable, the specific modification or deletion of information that was made to the consumer's file following the reinvestigation; and

iii. the consumer's options if he or she is dissatisfied with the reinvestigation results, which shall include submitting documents in support of the dispute, adding a consumer statement to his or her credit file, filing a dispute with the relevant furnishers, and submitting a complaint against the CRA and/or the relevant furnishers through the Consumer Financial Protection Bureau complaint portal and the consumer's state attorney general.

b. No less than semi-annually, the CRAs shall evaluate consumer dispute analytics to determine whether additional standardized communications to consumers are warranted that would further benefit consumers and improve their satisfaction with dispute outcomes.

5. Additional Free Annual Credit Report to Consumers Following Reinvestigation

The CRAs shall implement a process by which consumers who initiate a dispute of information contained in their free annual credit report disclosure are granted the ability to request one additional free annual credit report disclosure—as authorized by the FCRA, 15 U.S.C. § 1681j(a)—during the twelve-month period following a change to the consumer's file as requested by the consumer in the dispute. This additional free annual credit report disclosure shall be in addition to and shall not diminish any other right of a consumer to request and obtain a free credit report disclosure from any of the CRAs.

6. Enhancing e-OSCAR Furnisher Certifications and Terms of Use

a. The CRAs shall review and update the terms of use agreed to by furnishers using e-OSCAR, as well as the ACDV and AUD certifications made by furnishers through e-OSCAR, in order to: (i) emphasize compliance with furnishers' obligations under the FCRA; (ii) reinforce furnishers' obligations to review and consider images of documents submitted by consumers as part of the furnishers' reinvestigations of consumer disputes; and (iii) incorporate recent regulatory guidance directed at furnishers' responsibilities for handling and investigating consumer disputes.

b. No less than semi-annually, the CRAs shall analyze data on consumer disputes that is available in e-OSCAR to determine whether other actions, if any, should be taken to enhance the e-OSCAR system and furnishers' conduct in processing automated consumer disputes.

7. ***Escalated Dispute Handling***

a. The CRAs shall implement a process to identify and process disputes that qualify for escalated handling. The processes implemented shall not discourage call center personnel or those handling written disputes from escalating disputes or provide the call center personnel or those handling written disputes with incentives to avoid escalation.

b. Subject to Section IV(F)(7)(d) below, the types of complaints that shall qualify for escalated handling include mixed files, fraud, and identity theft. This escalated handling shall include the dispute being assigned to representatives from specialized groups with substantial experience processing these types of disputes, who will process the consumer's dispute through completion and review all relevant information in the consumer's credit file to facilitate a reinvestigation of all items disputed by the consumer and may involve direct communication with the furnisher(s) involved in reporting the tradelines at issue. The Working Group that shall be created pursuant to Section IV(H) of this Settlement shall evaluate consumer dispute analytics to determine whether other types of consumer disputes warrant escalated handling. In addition, the Working Group shall facilitate the sharing among the CRAs of best practices relating to escalated handling.

c. As part of the semi-annual reports regarding the activities of the Working Group that each CRA shall provide to the States' Executive Committee, see

infra Section V, the CRAs shall include, once they become available pursuant to the Implementation Schedule: (i) the number of disputes that qualified for escalated handling, broken down by type of dispute; and (ii) statistics showing the manner in which each disputed tradeline that qualified for escalated handling was resolved.

d. Notwithstanding any of the foregoing, the escalated dispute handling procedures detailed in this Section IV(F)(7) shall apply only with respect to disputes initiated with the CRAs pursuant to direct consumer contacts as provided in the FCRA, 15 U.S.C. § 1681i(a), and the CRAs shall not be required to employ the escalated dispute handling procedures with respect to disputes initiated by credit repair firms or disputes that the CRAs reasonably determine to be frivolous or irrelevant pursuant to 15 U.S.C § 1681i(a)(3).

e. The CRAs shall update their respective websites and cooperate in the approval and inclusion of educational material to be posted on AnnualCreditReport.com that provides information and instruction to consumers who may have disputes regarding their credit reports which qualify for escalated handling.

8. Review of Supporting Dispute Documentation Submitted by Consumers

a. Subject to Section IV(F)(8)(b) below, each CRA shall utilize a process designed to assure that during a CRA's reinvestigation of a dispute of any item of information contained in a consumer's file, if a consumer submits

Supporting Dispute Documentation and the CRA does not otherwise modify the information in the manner requested by the consumer, the Supporting Dispute Documentation shall be reviewed by an agent of the CRA with discretion to make a determination whether to make the change requested by the consumer on the basis of the Supporting Dispute Documentation.

b. Notwithstanding any of the foregoing, the Supporting Dispute Documentation review procedures detailed in this Section IV(F)(8) shall apply only with respect to the disputes initiated with the CRAs pursuant to direct consumer contacts as provided in the FCRA, 15 U.S.C. § 1681i(a), and the CRAs shall not be required to employ the Supporting Dispute Documentation review procedures with respect to disputes initiated by credit repair firms or disputes that the CRAs reasonably determine to be frivolous or irrelevant pursuant to 15 U.S.C § 1681i(a)(3).

*9. **Dispute Documents***

The CRAs shall not only continue to provide notice of a consumer dispute to a furnisher, in accordance with the FCRA, 15 U.S.C. § 1681i, but shall also continue to include with the notice all relevant information, including all relevant documentation, provided by the consumer to the CRAs.

G. Marketing of Direct-to-Consumer Products to Disputing Consumers

1. For consumers who contact a CRA regarding a dispute, the CRA and its Affiliates involved in direct-to-consumer products shall refrain from marketing products

and/or services to consumers before the dispute portion of the telephone call has ended. If, after the dispute portion of the telephone call has ended, the CRA and its Affiliates offer direct-to-consumer products to the consumer, they shall inform such consumers that the purchase of such products is not a precondition in any way for: (a) disputing any information and/or tradeline on their credit report; or (b) exercising any other consumer rights under the FCRA or applicable state laws. The CRA shall adopt training and compliance policies and procedures related to this provision. Failure by an Affiliate involved in direct-to-consumer products to comply with this provision shall result in the CRA taking appropriate action against that Affiliate.

2. The CRAs shall adopt a script for use in post-dispute marketing phone calls that communicates to consumers in clear and comprehensible language when the dispute portion of a telephone call ends and when the marketing of products or services begins. For purposes of this Section IV(G), "products" and "services" do not include security freezes, or any products or services that a consumer affirmatively requests.

3. During a post-dispute marketing phone call, the CRAs shall communicate disclosures to consumers regarding direct-to-consumer products, which are not contradictory or inconsistent with any other information presented, and which shall provide: (i) information disclosing the pricing structure; (ii) information about the nature of the products purchased; (iii) the fact that, if true, by accepting

the offer the consumer is agreeing to make a purchase unless the consumer cancels before the trial period expires; and (iv) cancellation rights and/or automatic renewal terms for membership products.

H. Furnisher Monitoring

1. Working Group

To enhance their respective capabilities for monitoring furnishers, the CRAs shall develop the National Credit Reporting Working Group (the "Working Group"), which shall: (i) catalogue and share best practices for monitoring furnishers; (ii) identify and establish data quality metrics; and (iii) share and compare information and reports among the CRAs to identify further actionable data quality and accuracy initiatives.

2. Composition of the Working Group

The Working Group shall be comprised of internal data experts from each CRA who are knowledgeable about their respective systems, policies, and procedures relating to furnishers and data acquisition. As appropriate, individuals from each CRA with expertise in the consumer dispute process, data quality, matching logic, and other facets of the CRAs' operations will participate in Working Group meetings. Counsel for a CRA may also participate in Working Group meetings.

3. Frequency of Working Group Meetings

The Working Group shall conduct its first meeting during the first calendar quarter following the Effective Date and shall continue to meet quarterly for a period of three (3) calendar years after the Effective Date. Working Group meetings shall be

conducted in person or via teleconference or video conference, but at least one meeting per year shall take place in person.

4. Functions of the Working Group

a. Coordinate and Review Furnisher Analytics and Metrics

The Working Group shall coordinate the development and review of reports and metrics that analyze key data related to furnishers, including but not limited to, on an industry basis (e.g., collections, student loans), on a time-series basis by industry (i.e., a trending analysis that examines data over an extended time period), and/or in the form of benchmarking reports. These reports and metrics may include, but are not limited to, the following topics and purposes:

i. Reports and trends focused on data furnished to the CRAs, including analyses of the accounts receivable data regularly furnished to each CRA (i.e., tradelines), and reports and metrics that focus on rates of consumer complaints, furnisher disputes and responses, and dispute outcomes;

ii. Reports and metrics focused on furnisher reporting by industry, including analyses of the frequency and timeliness of reporting, reports that evidence the proper use of Metro 2 codes, reports on data rejection rates and reasons for rejecting data submitted by a furnisher, and reports on other similar statistical data; and

iii. Benchmarking reports based on factors such as industry, portfolio type, and/or portfolio size, in order to compare the data and trends identified in

the reports described above to further review the quality of the data furnished to the CRAs.

b. Identify Data Accuracy Best Practices

The Working Group shall discuss each CRA's policies and practices pertaining to data accuracy and furnishers in order to identify potential best practices. The Working Group's discussions may include, but not be limited to, topics such as: minimum identification elements on newly opened trade and collection data (see supra Section IV(E)(5)); uniform standards regarding the collection of public record data (see supra Section IV(E)(6)); additional types of consumer disputes that warrant escalated handling, such as certain repeat consumer disputes not previously determined to be irrelevant or frivolous (see supra Section IV(F)(7)); furnisher credentialing and onboarding; data intake procedures; data hygiene tools and procedures; furnisher monitoring techniques; reports and trending analysis tools; policies designed to address fraud and data accuracy risk; credit reporting issues for vulnerable demographics such as foster care youth, seniors, and military personnel; and other policies and procedures designed to enhance data quality. The Working Group shall identify potential best practices and policies designed to lead to more effective furnisher monitoring and/or enhanced data quality and accuracy, which may include communicating with furnishers regarding relevant reports and metrics of the Working Group.

5. Corrective Action Against Certain Furnishers

a. Each CRA shall implement policies to monitor the performance of individual furnishers and categories of furnishers based on the recommendations of the Working Group and/or the CRA's own initiative.

b. Utilizing the metrics established by the Working Group, each CRA shall take corrective action, when reasonably necessary, with respect to a furnisher that fails to comply with its obligations regarding data furnishing and reinvestigating consumer disputes. Such corrective action generally shall be left to the discretion of the CRA to allow for appropriate remediation to correct any identified problems with information provided by the furnisher, up to and including refusing to accept information, or certain types of information, from a furnisher until the identified problems have been remedied. Reasonably necessary corrective action may include working with a furnisher to remediate the root cause of the problem when the furnisher initially fails to meet certain benchmarks established by the Working Group, suppressing certain of the furnisher's data during the remediation process, issuing warnings to furnishers who continue to fail to meet certain benchmarks despite being retrained by the CRAs with respect to the identified problem, and refusing to accept certain information from furnishers that habitually fail to remediate identified problems or are thought to be flouting

their statutory and contractual obligations based on the Working Group's metrics.

6. Reports on Furnisher Monitoring

As part of the semi-annual reports regarding the activities of the Working Group that each CRA shall provide to the States' Executive Committee, see infra Section V, the CRAs shall include, once they become available pursuant to the Implementation Schedule: (i) information and/or statistics concerning the furnisher dispute metrics that the Working Group shall establish; and (ii) a description of any material corrective action taken against a furnisher based upon the furnisher dispute metrics, which description shall set forth the overall number of furnishers for which a CRA took material corrective action, the industry groups for the furnishers and the number of furnishers within such industry groups, and a general description of the types of material corrective action taken by the CRA. The CRAs shall compile and retain records of furnishers evaluated under the standards developed under Section IV(H)(5) above as well as any material corrective action taken against furnishers pursuant to such standards. The CRAs shall provide or make available records and reports of furnishers evaluated and material corrective action taken to a State upon request.

V. REPORTING AND COMMUNICATING WITH THE STATES

Each CRA shall provide the following communications to the States:

- beginning six (6) months from the Effective Date, semi-annual updates to the States' Executive Committee concerning the implementation of this Settlement and the

requirements contained herein, except that the final such update shall occur eighteen (18) months following the Completion Date; and

- beginning six (6) months from the Effective Date, semi-annual updates to the States' Executive Committee concerning: (i) implementation of any parameters or best practices as determined by the Working Group; (ii) statistics regarding the escalated dispute handling procedures detailed in Section IV(F)(7) of this Settlement, once they become available pursuant to the Implementation Schedule; and (iii) reports on furnisher monitoring as detailed in Section IV(H)(6), once they become available pursuant to the Implementation Schedule; except that the final such update shall occur eighteen (18) months following the Completion Date.

The semi-annual updates to the States' Executive Committee required under this Section V shall constitute "Confidential" information and, to the extent permitted by applicable law, be subject to the same procedures as other confidential material produced to the States in connection with the States' investigation. To the extent permitted by applicable law, the States and the CRAs acknowledge that the semi-annual updates shall constitute confidential, proprietary, and trade secret material of the CRAs and shall be exempted from any applicable state freedom of information laws due to their content and their production in connection with the States' investigation.

To ensure that consumer complaints brought to the attention of any of the States are handled promptly, the parties agree on the following protocol. The CRAs shall each designate a department or group within their respective companies to assist the States in addressing

consumer complaints. Each CRA shall provide the States with direct contact information for its designated department or group, including at least one telephone number and at least one e-mail address. Each CRA's designated department or group shall then ensure that the CRA responds promptly to the complaint and shall remain a point of contact for the States for any subsequent inquiries related to the complaint.

VI. APPLICATION

The States and the CRAs acknowledge and agree that: (i) the CRAs do not comprise the entire credit reporting industry; (ii) the CRAs cannot require the rest of the industry to adopt and adhere to this Settlement; and (iii) nothing in this Settlement is intended to modify any of the requirements of or the defenses under the FCRA or other applicable federal, state, or local laws.

VII. NO ADMISSION OF LIABILITY

The CRAs expressly deny any violation of and liability arising from any state, federal, or local law, and further expressly deny that any current or prior practice of any CRA (whether in the areas of data accuracy, data quality, furnisher oversight, dispute handling, consumer education, marketing of direct-to-consumer products, or otherwise) is or was deficient in any respect. Nothing contained in this Settlement shall be construed as an admission or concession of liability and/or fact by the CRAs, or create any third-party beneficiary rights or give rise to or support any right of action in favor of any consumer or group of consumers, or confer upon any person other than the parties hereto any rights or remedies. By entering into this Settlement, the CRAs do not intend to create any legal or voluntary standard of care and expressly deny that any practices, policies, or procedures inconsistent with those set forth in this Settlement violate any

applicable legal standard. Further, the parties do not intend that this Settlement be relied upon in any manner by any party in any civil, criminal, or administrative proceeding before any court, administrative agency, arbitration, or other tribunal as an admission, concession, or evidence that any CRA has violated any federal, state, or local law, or that any CRA's current or prior practices (whether in the areas of data accuracy, data quality, furnisher oversight, dispute handling, consumer education, marketing of direct-to-consumer products, or otherwise) is or was not in accordance with any federal, state, or local law.

VIII. CHANGE IN LAW

In the event there is any change in law, whether legislative, regulatory, judicial, or otherwise, that would make compliance with or implementation of any aspect of this Settlement unlawful or create a conflict where the CRAs believe, in good faith, that they cannot comply with both the settlement term(s) and the changed law, the CRAs shall not be required to comply with or implement any such aspect of this Settlement. The CRAs shall provide notice to the States, as soon as the CRAs determine that any aspect of the Settlement is unlawful or creates a conflict, outlining in detail why the CRAs, in good faith, believe compliance with or implementation of any aspect of this Settlement has become unlawful or that a conflict exists where the CRAs cannot comply with both the settlement term(s) and the changed law.

IX. ENFORCEMENT

This Settlement, for all necessary purposes, shall be considered a formal, binding agreement on the parties hereto, which may be enforced only by the parties hereto in any court of competent jurisdiction. Any violation of this Settlement may result in a State seeking all

available relief to enforce this Settlement, including injunctive relief, damages, and any other relief provided by federal law, the laws of the State, or authorized by a court of competent jurisdiction.

Notwithstanding the foregoing, in the event a State determines that any CRA, or any CRA's Affiliate, where applicable, has failed to comply with any of the terms of this Settlement and that such failure to comply does not threaten the health or safety of the State's citizens, the State shall not initiate any action or proceeding pursuant to this Section without first providing written notice to the designated person or department at the CRA of such failure to comply. The CRA shall then have twenty (20) business days from receipt of such written notice to provide a written response to the State. However, nothing herein shall be construed to limit the authority of any State to protect the State's or its citizens' interests or to prevent the State from agreeing to provide the CRA with additional time beyond the twenty (20) business day period to respond to the State's written notice.

The CRAs shall not be deemed in breach of this Settlement based on any failure by a furnisher or other third party to abide by the initiatives set forth in Section IV(E)-(H) of this Settlement, despite the CRAs' having taking reasonably necessary corrective action against that furnisher or third party. In addition, no CRA shall be held in breach of this Settlement based solely on another CRA's breach of the terms of this Settlement.

Except as set forth in Section XI, nothing contained in this Settlement shall be deemed to waive, restrict, or limit any of the State's rights to enforce any federal or state law applicable to the CRAs, and nothing in this Settlement shall be construed as relieving the CRAs or any of their

Affiliates of their obligations to comply with all applicable federal and state laws, regulations, and/or rules. The acceptance of this Settlement by the States shall not be deemed as the States' approval of any of the CRAs' business practices, policies, or procedures.

X. PAYMENT TO THE STATES

Within thirty (30) days after the Effective Date, the CRAs shall collectively pay the total amount of six million dollars ($6,000,000) to the States. At the sole discretion of each Attorney General, the payment shall be used for reimbursement of attorneys' fees and/or investigative costs; used for future public protection purposes; placed in or applied to the consumer protection enforcement fund, consumer education, litigation, or local consumer aid fund or revolving fund, or similar fund by whatever name; or used for other consumer protection purposes permitted by state or local statutes, rules, or regulations. The States and the CRAs acknowledge that the payment described herein is not a fine, civil penalty, or forfeiture.

XI. RELEASE

By execution of this Settlement and following a full and complete payment to the States, each of the Attorneys General releases and forever discharges to the fullest extent of the law the CRAs and each of their Affiliates from the following: all civil claims, causes of action, administrative actions, damages, restitution, fines, costs, and penalties that each of the Attorneys General could have asserted against the CRAs prior to the Effective Date, based on the allegations described in Section I(D) of this Settlement, under the FCRA, the Dodd-Frank Act, each of the States' consumer protection laws relating to unfair and deceptive business acts and practices noted in footnote 3 of this Settlement, or any other federal or state consumer protection

law that each of the Attorneys General is empowered to enforce (collectively, the "Released Claims").

XII. GENERAL PROVISIONS

A. Notices

Any and all notices, requests, consents, directives, or communications sent to the CRAs or the States pursuant to this Settlement shall be sent by a nationally recognized overnight courier service to the named person (or such other person who may be designated by the relevant party from time to time) at the following addresses:

For Equifax Information Services LLC:

John J. Kelley III, Esq.
Chief Legal Officer
Equifax Information Services LLC
1550 Peachtree Street, N.W.
Atlanta, GA 30309

For Experian Information Solutions, Inc.:

Darryl Gibson, Esq.
Group General Counsel
Experian Information Solutions, Inc.
475 Anton Blvd.
Costa Mesa, CA 92626

For TransUnion LLC:

John Blenke, Esq.
EVP and General Counsel
TransUnion LLC
555 W. Adams St.
Chicago, IL 60661

For the States:

Teresa Heffernan
Jeff Loeser
Michael Ziegler
Assistant Attorneys General
Ohio Attorney General – Office of Consumer Protection
30 E. Broad St., 14th Floor
Columbus, OH 43215

B. By agreeing to this Assurance, the CRAs reaffirm and attest to the material truthfulness and accuracy of all of the information provided by the CRAs to the States prior to entry of this Assurance. The States' agreement to this Assurance is expressly premised upon the material truthfulness and accuracy of the information provided by the CRAs to the States throughout the course of the investigation of this matter, which information was relied upon by the States in negotiating and agreeing to the terms and conditions of this Assurance.

C. The CRAs shall not participate, directly or indirectly, in any activity, or form a separate corporation or entity as a nationwide credit reporting agency for the purpose of engaging in acts or practices in whole or in part, within the State, that are prohibited by this Assurance or for any other purpose that would otherwise circumvent any part of this Assurance.

D. The CRAs believe this Settlement fairly and adequately protects the interests of consumers in accepting the terms of this Settlement and that the obligations imposed by this Settlement represent the most fair and most efficient method for the CRAs to resolve the matters raised in the States' investigation.

E. Acceptance of this Assurance by the States shall not be deemed approval by the States of any of the acts or practices of the CRAs described in this Assurance. Further, neither

the CRAs nor anyone acting on their behalves shall state or imply or cause to be stated or implied that the States, or any other governmental unit, has approved, sanctioned, or authorized any of the CRAs' acts or practices.

F. Nothing in this Assurance is intended to create any private rights, cause of action, third party rights, or remedies for any individual or entity against any of the CRAs or their subsidiaries, nor does anything in this Assurance waive or limit any private right of action.

G. This Assurance contains the entire agreement between the parties. In the event that any term, provision, or section of this Assurance is determined to be illegal or unenforceable, subject to consultation with all the parties to this Assurance such determination shall have no effect on the remaining terms, provisions, and sections of this Assurance which shall continue in full force and effect.

H. To the extent any CRA requires to amend this Settlement in a manner that would not affect any other CRA's rights or obligations hereunder, and the States consent to such amendment, this Settlement may be so amended by an instrument in writing signed on behalf of the States and the affected CRA only, which amendment shall apply only to the signatories thereto.

I. The titles and headers in each section of this Assurance are used for convenience purposes only and are not intended to lend meaning to the actual terms and conditions of this Assurance.

J. This Assurance shall not be construed against the "drafter" because all parties participated in the drafting of this Assurance.

K. This Assurance may be executed in counterparts, each of which shall constitute an original counterpart hereof and all of which together shall constitute one and the same document. One or more counterparts may be delivered by facsimile or electronic transmission, or a copy thereof, with the intent that it or they shall constitute an original counterpart hereof.

L. Nothing in this Assurance shall be construed as relieving the CRAs of their obligations to comply with all applicable state and federal laws, regulations or rules.

M. Notwithstanding anything in Section IX or elsewhere in this Assurance, a State shall not file this Assurance in any court unless the law of the State allows it to do so.

N. The CRAs each agree to provide the Commonwealth of Pennsylvania Office of Attorney Genera Bureau of Consumer Protection with authorizations, documents and instruments required to effectuate the filing of this Assurance.

O. Each CRA certifies that the signatory officer listed below is authorized by the respective CRA to enter into this Assurance on behalf of the respective CRA and that his or her signature on this document binds the CRA to all terms herein.

In the matter of:
Equifax Information Services LLC,
Experian Information Solutions, Inc., and
TransUnion LLC

Assurance of Voluntary Compliance / Assurance of Discontinuance

Dated: 5/20/15

FOR THE STATE OF VERMONT

WILLIAM H. SORRELL
Attorney General

By: James Layman

James Layman
Assistant Attorney General
Office of the Attorney General
State of Vermont
109 State Street
Montpelier, VT 05609
Phone: 802-828-2315
james.layman@state.vt.us

In the Matter of:
Equifax Information Services LLC,
Experian Information Solutions, Inc., and
TransUnion LLC

Assurance of Voluntary Compliance / Assurance of Discontinuance

Dated: ~~April~~ May 12, 2015

EQUIFAX INFORMATION SERVICES LLC

By: _____
SIRAN S. FAULDERS
ASHLEY L. TAYLOR, JR.
Troutman Sanders LLP
Counsel for Equifax

By: _____
JOHN J. KELLEY III
Chief Legal Officer

In the Matter of:
Equifax Information Services LLC,
Experian Information Solutions, Inc., and
TransUnion LLC

Assurance of Voluntary Compliance / Assurance of Discontinuance

Dated: May 14, 2015

EXPERIAN INFORMATION SOLUTIONS, INC.

By: _____
DANIEL J. MCLOON
Jones Day
Counsel for Experian

By: _____
DARRYL GIBSON
Group General Counsel

In the Matter of:
Equifax Information Services LLC,
Experian Information Solutions, Inc., and
TransUnion LLC

Assurance of Voluntary Compliance / Assurance of Discontinuance

Dated: May 11, 2015

TRANSUNION LLC

By: _____
CLAUDE G. SZYFER
Stroock & Stroock & Lavan LLP
Counsel for TransUnion

By: _____
JOHN BLENKE
EVP and General Counsel

In the Matter of:
Equifax Information Services LLC,
Experian Information Solutions, Inc., and
TransUnion LLC

Assurance of Voluntary Compliance / Assurance of Discontinuance

Dated: May 11, 2015

TRANSUNION LLC

By: _____
CLAUDE G. SZYFER
Stroock & Stroock & Lavan LLP
Counsel for TransUnion

By: _____
JOHN BLENKE
EVP and General Counsel

Exhibit A

Fair Credit Reporting Act § 607(b), 15 U.S. Code § 1681e
Compliance procedures

(b) Accuracy of report

Whenever a consumer reporting agency prepares a consumer report it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates.

Exhibit B

Fair Credit Reporting Act § 611, 15 U.S. Code § 1681i
Procedure in case of disputed accuracy

(a) Reinvestigations of disputed information

(1) Reinvestigation required

(A) In general

Subject to subsection (f) of this section, if the completeness or accuracy of any item of information contained in a consumer's file at a consumer reporting agency is disputed by the consumer and the consumer notifies the agency directly, or indirectly through a reseller, of such dispute, the agency shall, free of charge, conduct a reasonable reinvestigation to determine whether the disputed information is inaccurate and record the current status of the disputed information, or delete the item from the file in accordance with paragraph (5), before the end of the 30-day period beginning on the date on which the agency receives the notice of the dispute from the consumer or reseller.

(B) Extension of period to reinvestigate

Except as provided in subparagraph (C), the 30-day period described in subparagraph (A) may be extended for not more than 15 additional days if the consumer reporting agency receives information from the consumer during that 30-day period that is relevant to the reinvestigation.

(C) Limitations on extension of period to reinvestigate

Subparagraph (B) shall not apply to any reinvestigation in which, during the 30-day period described in subparagraph (A), the information that is the subject of the reinvestigation is found to be inaccurate or incomplete or the consumer reporting agency determines that the information cannot be verified.

(2) Prompt notice of dispute to furnisher of information

(A) In general

Before the expiration of the 5-business-day period beginning on the date on which a consumer reporting agency receives notice of a dispute from any consumer or a reseller in accordance with paragraph (1), the agency shall provide notification of the dispute to any person who provided any item of information in dispute, at the address and in the manner established with the person. The notice shall include all relevant information regarding the dispute that the agency has received from the consumer or reseller.

(B) Provision of other information

The consumer reporting agency shall promptly provide to the person who provided the information in dispute all relevant information regarding the dispute that is received by the agency from the consumer or the reseller after the period

referred to in subparagraph (A) and before the end of the period referred to in paragraph (1)(A).

(3) Determination that dispute is frivolous or irrelevant

(A) In general

Notwithstanding paragraph (1), a consumer reporting agency may terminate a reinvestigation of information disputed by a consumer under that paragraph if the agency reasonably determines that the dispute by the consumer is frivolous or irrelevant, including by reason of a failure by a consumer to provide sufficient information to investigate the disputed information.

(B) Notice of determination

Upon making any determination in accordance with subparagraph (A) that a dispute is frivolous or irrelevant, a consumer reporting agency shall notify the consumer of such determination not later than 5 business days after making such determination, by mail or, if authorized by the consumer for that purpose, by any other means available to the agency.

(C) Contents of notice

A notice under subparagraph (B) shall include—

(i) the reasons for the determination under subparagraph (A); and

(ii) identification of any information required to investigate the disputed information, which may consist of a standardized form describing the general nature of such information.

(4) Consideration of consumer information

In conducting any reinvestigation under paragraph (1) with respect to disputed information in the file of any consumer, the consumer reporting agency shall review and consider all relevant information submitted by the consumer in the period described in paragraph (1)(A) with respect to such disputed information.

(5) Treatment of inaccurate or unverifiable information

(A) In general

If, after any reinvestigation under paragraph (1) of any information disputed by a consumer, an item of the information is found to be inaccurate or incomplete or cannot be verified, the consumer reporting agency shall—

(i) promptly delete that item of information from the file of the consumer, or modify that item of information, as appropriate, based on the results of the reinvestigation; and

(ii) promptly notify the furnisher of that information that the information has been modified or deleted from the file of the consumer.

(B) Requirements relating to reinsertion of previously deleted material

(i) Certification of accuracy of information If any information is deleted from a consumer's file pursuant to subparagraph (A), the information may not be reinserted in the file by the consumer reporting agency unless the person who furnishes the information certifies that the information is complete and accurate.

(ii) Notice to consumer If any information that has been deleted from a consumer's file pursuant to subparagraph (A) is reinserted in the file, the consumer reporting agency shall notify the consumer of the reinsertion in writing not later than 5 business days after the reinsertion or, if authorized by the consumer for that purpose, by any other means available to the agency.

(iii) Additional information As part of, or in addition to, the notice under clause (ii), a consumer reporting agency shall provide to a consumer in writing not later than 5 business days after the date of the reinsertion—

(I) a statement that the disputed information has been reinserted;

(II) the business name and address of any furnisher of information contacted and the telephone number of such furnisher, if reasonably available, or of any furnisher of information that contacted the consumer reporting agency, in connection with the reinsertion of such information; and

(III) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the disputed information.

(C) Procedures to prevent reappearance
A consumer reporting agency shall maintain reasonable procedures designed to prevent the reappearance in a consumer's file, and in consumer reports on the consumer, of information that is deleted pursuant to this paragraph (other than information that is reinserted in accordance with subparagraph (B)(i)).

(D) Automated reinvestigation system
Any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis shall implement an automated system through which furnishers of information to that consumer reporting agency may report the results of a reinvestigation that finds incomplete or inaccurate information in a consumer's file to other such consumer reporting agencies.

(6) Notice of results of reinvestigation
(A) In general

A consumer reporting agency shall provide written notice to a consumer of the results of a reinvestigation under this subsection not later than 5 business days after the completion of the reinvestigation, by mail or, if authorized by the consumer for that purpose, by other means available to the agency.

(B) Contents
As part of, or in addition to, the notice under subparagraph (A), a consumer reporting agency shall provide to a consumer in writing before the expiration of the 5-day period referred to in subparagraph (A)—

(i) a statement that the reinvestigation is completed;

(ii) a consumer report that is based upon the consumer's file as that file is revised as a result of the reinvestigation;

(iii) a notice that, if requested by the consumer, a description of the procedure used to determine the accuracy and completeness of the information shall be provided to the consumer by the agency, including the business name and address of any furnisher of information contacted in connection with such information and the telephone number of such furnisher, if reasonably available;

(iv) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the information; and

(v) a notice that the consumer has the right to request under subsection (d) of this section that the consumer reporting agency furnish notifications under that subsection.

(7) Description of reinvestigation procedure
A consumer reporting agency shall provide to a consumer a description referred to in paragraph (6)(B)(iii) by not later than 15 days after receiving a request from the consumer for that description.

(8) Expedited dispute resolution
If a dispute regarding an item of information in a consumer's file at a consumer reporting agency is resolved in accordance with paragraph (5)(A) by the deletion of the disputed information by not later than 3 business days after the date on which the agency receives notice of the dispute from the consumer in accordance with paragraph (1)(A), then the agency shall not be required to comply with paragraphs (2), (6), and (7) with respect to that dispute if the agency—

(A) provides prompt notice of the deletion to the consumer by telephone;

(B) includes in that notice, or in a written notice that accompanies a confirmation and consumer report provided in accordance with subparagraph (C), a statement of the consumer's right to request under subsection (d) of this section that the agency furnish notifications under that subsection; and

(C) provides written confirmation of the deletion and a copy of a consumer report on the consumer that is based on the consumer's file after the deletion, not later than 5 business days after making the deletion.

(b) Statement of dispute

If the reinvestigation does not resolve the dispute, the consumer may file a brief statement setting forth the nature of the dispute. The consumer reporting agency may limit such statements to not more than one hundred words if it provides the consumer with assistance in writing a clear summary of the dispute.

(c) Notification of consumer dispute in subsequent consumer reports

Whenever a statement of a dispute is filed, unless there is reasonable grounds to believe that it is frivolous or irrelevant, the consumer reporting agency shall, in any subsequent consumer report containing the information in question, clearly note that it is disputed by the consumer and provide either the consumer's statement or a clear and accurate codification or summary thereof.

(d) Notification of deletion of disputed information

Following any deletion of information which is found to be inaccurate or whose accuracy can no longer be verified or any notation as to disputed information, the consumer reporting agency shall, at the request of the consumer, furnish notification that the item has been deleted or the statement, codification or summary pursuant to subsection (b) or (c) of this section to any person specifically designated by the consumer who has within two years prior thereto received a consumer report for employment purposes, or within six months prior thereto received a consumer report for any other purpose, which contained the deleted or disputed information.

(e) Treatment of complaints and report to Congress

(1) In general

The Commission shall—

(A) compile all complaints that it receives that a file of a consumer that is maintained by a consumer reporting agency described in section 1681a(p) of this title contains incomplete or inaccurate information, with respect to which, the consumer appears to have disputed the completeness or accuracy with the consumer reporting agency or otherwise utilized the procedures provided by subsection (a) of this section; and

(B) transmit each such complaint to each consumer reporting agency involved.

(2) Exclusion

Complaints received or obtained by the Bureau pursuant to its investigative authority under the Consumer Financial Protection Act of 2010 shall not be subject to paragraph (1).

(3) Agency responsibilities

Each consumer reporting agency described in section 1681a(p) of this title that receives a complaint transmitted by the Bureau pursuant to paragraph (1) shall—

(A) review each such complaint to determine whether all legal obligations imposed on the consumer reporting agency under this subchapter (including any obligation imposed by an applicable court or administrative order) have been met with respect to the subject matter of the complaint;

(B) provide reports on a regular basis to the Bureau regarding the determinations of and actions taken by the consumer reporting agency, if any, in connection with its review of such complaints; and

(C) maintain, for a reasonable time period, records regarding the disposition of each such complaint that is sufficient to demonstrate compliance with this subsection.

(4) Rulemaking authority

The Commission may prescribe regulations, as appropriate to implement this subsection.

(5) Annual report

The Commission shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives an annual report regarding information gathered by the Bureau under this subsection.

(f) Reinvestigation requirement applicable to resellers

(1) Exemption from general reinvestigation requirement

Except as provided in paragraph (2), a reseller shall be exempt from the requirements of this section.

(2) Action required upon receiving notice of a dispute

If a reseller receives a notice from a consumer of a dispute concerning the completeness or accuracy of any item of information contained in a consumer report on such consumer produced by the reseller, the reseller shall, within 5 business days of receiving the notice, and free of charge—

(A) determine whether the item of information is incomplete or inaccurate as a result of an act or omission of the reseller; and

(B) if—

(i) the reseller determines that the item of information is incomplete or inaccurate as a result of an act or omission of the reseller, not later than 20 days after receiving the notice, correct the information in the consumer report or delete it; or

(ii) if the reseller determines that the item of information is not incomplete or inaccurate as a result of an act or omission of the reseller, convey the notice of the dispute, together with all relevant information provided by the consumer, to each consumer reporting agency that provided the reseller with the information that is the subject of the dispute, using an address or a notification mechanism specified by the consumer reporting agency for such notices.

(3) Responsibility of consumer reporting agency to notify consumer through reseller
Upon the completion of a reinvestigation under this section of a dispute concerning the completeness or accuracy of any information in the file of a consumer by a consumer reporting agency that received notice of the dispute from a reseller under paragraph (2)—

(A) the notice by the consumer reporting agency under paragraph (6), (7), or (8) of subsection (a) of this section shall be provided to the reseller in lieu of the consumer; and

(B) the reseller shall immediately reconvey such notice to the consumer, including any notice of a deletion by telephone in the manner required under paragraph (8)(A).

(4) Reseller reinvestigations
No provision of this subsection shall be construed as prohibiting a reseller from conducting a reinvestigation of a consumer dispute directly.

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STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

IN RE: Fine Line Communications, Ltd.	)	CIVIL DIVISION
	)	Docket No. 624-10-15 Wncv
	)	

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Fine Line Communications, Ltd. ("Respondent"), hereby agree to this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. §§ 2459 and 2479(b).

REGULATORY FRAMEWORK

1. Vermont's Consumer Protection Act prohibits "[u]nfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce." 9 V.S.A. § 2453.

2. Vermont's Charitable Solicitations law requires paid fundraisers that have "solicited contributions in this state" to file a financial report "[n]o later than 90 days after a fundraising campaign has been completed, and no later than 90 days after the anniversary of the commencement of a fundraising campaign lasting more than one year." 9 V.S.A. § 2477(a).

3. The requirements for the financial report are detailed in 9 V.S.A. § 2477(b) and Consumer Protection Rule CP 119.06.

4. Under 9 V.S.A. § 2479(a), a violation of the Charitable Solicitations Law is deemed to be a violation of 9 V.S.A. § 2453 of the Vermont Consumer Protection Act.

5. The Attorney General is authorized to pursue enforcement and seek relief under 9 V.S.A. § 2458 for violations of the Consumer Protection Act, including injunctive relief,

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civil penalties of up to $10,000 for each violation of the Act, and reimbursement for the reasonable value of its services and its expenses in investigating and prosecuting an action.

DEFINITIONS

6. For the purposes of this AOD, the terms "charitable organization," "contribution," "fundraising campaign," "paid fundraiser," and "solicitation" are defined in the same manner as they are defined in 9 V.S.A. § 2471.

BACKGROUND

7. Respondent Fine Line Communications is a for-profit corporation incorporated under the laws of Canada with its principal place of business located at 290 Garry St., Winnipeg, Manitoba, Canada.

8. Respondent receives in-bound telephone calls on behalf of charitable organizations from residents of the State of Vermont and acts as a paid fundraiser. From at least 2010 to the present, Respondent has solicited contributions by receiving in-bound telephone calls from Vermont residents on behalf of charitable organizations, including the Humane Society of the United States. Since 2010, Respondent has filed five financial reports with the Attorney General, pursuant to 9 V.S.A. § 2477.

9. On March 23, 2015, the Attorney General's Office informed Respondent that the financial report for a fundraising campaign conducted in Vermont on behalf of the Humane Society of the United States, with Campaign Identification Number 12209 (hereinafter the "Delinquent Financial Report"), was delinquent. Specifically, the Delinquent Financial Report was due by November 30, 2014.

10. Respondent had not submitted the Delinquent Financial Report as of April 30, 2015, making it five months overdue.

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11. Respondent admits the truth of all facts set forth in the Background section.

12. The Attorney General alleges that the above conduct demonstrates violations of 9 V.S.A. §§ 2477(a), and further alleges that any such violation would constitute unfair and deceptive acts and practices under 9 V.S.A. § 2453.

AGREEMENT

Future Compliance

13. It is hereby AGREED that Respondent Fine Line Communications:

a. Shall comply with all provisions of the Vermont Consumer Protection Act, including but not limited to provisions in 9 V.S.A. chapter 63, subchapters 1 and 2 , Consumer Protection Rule 119, and all other applicable Vermont laws;

b. Has filed the Delinquent Financial Report as of the effective date of this AOD; and

c. Shall file all future financial reports required under 9 V.S.A. § 2477(a) by the date they are due pursuant to that statute.

14. It is hereby AGREED that the parties have compromised and settled all potential claims regarding alleged violations of 9 V.S.A. §§ 2477(a) described in the background section of this AOD, up to April 30, 2015. The parties further acknowledge and agree that this is a negotiated settlement of disputed claims and no admissions of wrongdoing have been made.

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Monetary Relief

15. As part of this negotiated settlement, it is hereby AGREED that Respondent Fine Line Communications shall pay five thousand five hundred dollars ($5,500), as a civil

penalty to the State of Vermont within ten (10) days of signing this AOD. Payment shall be made either by wire transfer or in the form of a bank or cashier's check made out to the State of Vermont and delivered to Assistant Attorney General Todd Daloz, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

OTHER TERMS

16. Respondent Fine Line Communications agrees that the terms of this AOD shall be binding on Fine Line Communications, Ltd. and its successors and assigns.

17. The Attorney General hereby releases and discharges its claims arising under 9 V.S.A. § 2477(a) that it may have against Respondent for the conduct described in the Background section up to April 30, 2015.

18. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this AOD and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this AOD.

STIPULATED PENALTIES

19. If the Superior Court of the State of Vermont, Washington Unit, enters an order finding Respondent Fine Line Communications to be in violation of this AOD, then the parties agree that penalties to be assessed by the Court are as follows:

a. For failure to file a financial report referenced in paragraph 13(c) of this AOD within ten (10) business days of receipt of a notice of delinquency from the Attorney General, the penalty shall be $1000 per business day

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that any such financial report is late, up to a maximum of $10,000 per report.

SIGNATURE

In lieu of instituting an action or proceeding against Respondent Fine Line Communications, the Office of the Attorney General, pursuant to 9 V.S.A. §§ 2459 and 2479, accepts this AOD. By signing below, Respondent Fine Line Communications voluntarily agrees with and submits to the terms of this AOD.

DATED at Toronto, this 23rd day of September, 2015.

Witness.

Fine Line Communications, Ltd.

By: _____
Its Authorized Agent

By: Ron Wainge, VP of Operations
Name and Title of Authorized Agent

GAREN KASSABIAN
BARRISTER, SOLICITOR & NOTARY PUBLIC
Shops at Don Mills
Thompson Mews, Suite 203
Toronto, Ontario M3C 0H5
Tel: (416) 443-9494
Fax: (416) 443-0575
E-mail: garen@bellnet.ca

ACCEPTED on behalf of the Vermont Attorney General:

DATED at Montpelier, Vermont, this 28 day of September, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____
Todd W. Daloz
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
todd.daloz@vermont.gov
(802) 828-5507

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ORDER

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

STATE OF VERMONT, Plaintiff, v. CHRISTOPHER P. MOREAU FIRED-UP TOBACCO, INC. Defendants.	)	CIVIL DIVISION Docket No. 665-11-14 Wncv

CONSENT DECREE, FINAL ORDER, AND JUDGMENT

To resolve the violations of law alleged in the Complaint filed in the above-captioned matter, the parties, the State of Vermont and Defendants Christopher P. Moreau and Fired-Up Tobacco, Inc. ("Defendants"), stipulate and agree to the following:

INTRODUCTION

The State of Vermont alleges and Defendants admit the following:

1. Between 2008 and 2014, Defendants held a wholesale dealer license from the Vermont Department of Taxes.

2. All Vermont licensed wholesale dealers must file an NPM-1 report on a monthly basis with the State which specifies what sales they have made in the preceding month of product (cigarettes or roll-your-own tobacco) from Non-Participating Manufacturers (NPMs). This report must be filed whether or not the licensed wholesale dealer has sold any NPM product.

3. Between 2008 and 2013, Defendants sold Zig-Zag RYO, an NPM product, in Vermont and failed to report the sale of such Zig-Zag on monthly NPM-1 reports.

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4. Defendants, during certain months of 2011, 2013 and 2014, failed to file NPM-1 reports in a timely manner. Defendants attempted to address the difficulty in filing NPM-1 reports electronically from mid-2013 into 2014. Defendants have not filed any NPM-1 reports for that period either electronically or in hard copy.

5. Defendants during April and May of 2014 sold Fired-Up RYO, a product that is illegal to sell in Vermont as it is not listed on Vermont's tobacco Directory.

6. Defendants did not properly preserve for six years complete and accurate records of all cigarettes and RYO manufactured, produced, purchased, transferred and sold by Defendants in a manner that ensured permanency and accessibility for inspection. Defendants assert that a storage unit break-in and subsequent flooding caused some records to be destroyed.

7. Based upon the facts above, the Attorney General alleges that the Defendants have violated 33 V.S.A. §§ 1919 and 1921 and the Consumer Protection Act, 9 V.S.A. § 2458.

REMEDIES

Defendants are enjoined and restrained as follows:

8. Defendants will not possess, sell, or offer for sale any cigarettes or RYO that are not listed on Vermont's tobacco Directory. Defendants are permanently enjoined and restrained from violating 33 V.S.A. § 1919.

9. Defendants will comply with all record retention and reporting requirements under Vermont law.

10. Defendants shall inform the Office of the Attorney General should Defendants apply for a license from the Vermont Department of Taxes as a wholesale

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dealer. Should Defendants obtain a tobacco wholesale dealers license from the Vermont Department of Taxes, Defendants shall timely file the monthly NPM-1 report and accurately report therein the sale of any NPM products.

11. Defendants shall notify the Office of the Attorney General of any change in their addresses, telephone numbers, or email addresses within the next five years.

12. Defendants shall comply strictly with all provisions of the Consumer Protection Act and the Vermont tobacco statutes whenever they are engaged in the retail or wholesale distribution of tobacco products as defined in Titles 32 of the Vermont Statutes Annotated.

13. Within thirty (30) days of signing this Consent Decree, Defendants shall pay a total of $50,000 (fifty thousand dollars) to the State of Vermont, in care of the Vermont Attorney General's Office, as civil penalties in this matter.

14. Based upon Defendants alleged inability to pay the penalty listed in paragraph 13, and upon review of the financial information to be provided to the Office of the Attorney General, Defendants are not required to pay the penalty listed in paragraph 13 at this time.

15. No later than January 1, 2015, Defendants shall submit to the Vermont Attorney General's Office (a) a sworn and accurate statement of their current assets and liabilities, (b) his personal and business tax returns for 2013, and (c) a current credit report.

16. No later than May 1 of each calendar year beginning in 2015 and ending in 2019 (covering the years 2014 through 2018), Defendants shall submit to the Vermont Attorney General's Office accurate copies of individual and any business income tax

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returns for each calendar year, along with sworn and accurate statements of then-current assets and liabilities and (c) a then-current credit report.

17. Defendants shall, within ten (10) days of a request, provide to the Attorney General any requested additional information supporting the assertions contained in the responses to paragraphs 15 and 16.

18. In the event that an income tax return or statement of assets and liabilities required by paragraphs 15 and 16, above, shows that the Defendants have pre-tax income exceeding $50,000 (fifty thousand dollars), and/or net assets exceeding $80,000 (eighty thousand dollars), Defendants shall, no later than July 1 of that year, pay to the State of Vermont, in the care of the Attorney General's Office, an amount equal to 20 (twenty) percent of any pre-tax income exceeding $50,000 (fifty thousand dollars), plus an amount equal to 20 (twenty) percent of any net assets exceeding $80,000 (eighty thousand dollars), provided that once Defendants have paid a total of $50,000 (fifty thousand dollars) pursuant to this paragraph, they shall have no further liability or obligation to report under paragraph 16.

19. Within 30 (thirty) days of signing this Consent Decree, Defendants shall pay a total of $1,000 (one thousand dollars) to the Treasurer of the State of Vermont, for deposit in the tobacco litigation settlement fund established pursuant to 32 V.S.A. § 435(a). Defendants assert that this amount represents profits from the sale of all brand styles of Fired-Up RYO from 2008 through the present by Defendants.

20. Within 10 (ten) days of signing this Consent Decree, Defendants shall pay a total of $500 (five hundred dollars) to the State of Vermont, in care of the Attorney General's Office, as attorneys' fees and costs in this matter.

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21. By January 9, 2015, Defendants shall provide proof of surrender of their retail tobacco license and shall cease all sales from the place of business known as Fired-Up Tobacco, 379 South Barre Road, South Barre, Vermont.

22. Defendants shall inform the Office of the Attorney General should either seek a new Vermont retail tobacco license.

23. Defendants agree that any failure to abide by the terms of this Consent Decree shall be a violation thereof and agree that the penalties to be assessed by the Court for each act in violation of this Consent Decree shall be $10,000. Defendants shall pay all costs of any enforcement of this Consent Decree.

24. This Court has jurisdiction over the subject matter of this action and the Defendants. Jurisdiction is retained by this Court over this Final Judgment and the parties for the purpose of enabling any of the parties to apply to this Court at any time for orders and directions as may be necessary to carry out or construe this Final Judgment, to modify or terminate any of its provisions, to enforce compliance, and to punish violations of its provisions.

25. The Court finds Defendants to have been in violation of the Consumer Protection Act, 9 V.S.A. § 2435, and 33 V.S.A. §§ 1919 and 1921.

26. This Final Judgment shall be binding on Christopher P. Moreau and Fired-Up Tobacco, Inc. and their successors and assigns. The State of Vermont hereby releases and discharges any and all claims under Title 9 and Title 33 that it may have against Defendants based on conduct or activities arising under or in connection with this Final Judgment.

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27. Entry of this Final Judgment is in the public interest because it will ensure that Defendants comply with the requirements that only tobacco products that are legal for sale in Vermont are sold to Vermont consumers.

STIPULATION

Defendants Christopher P. Moreau and Fired-Up Tobacco, Inc. acknowledge receipt of and voluntarily agree to the terms of this Consent Decree and waive any formal service requirements of the Consent Decree, the Decree, Order, and the Final Judgment.

DATED at Barre, Vermont this 24th day of December, 2014.

Christopher P. Moreau

Christopher P. Moreau Pres./Owner
Fired-Up Tobacco, Inc., by

ACCEPTED on behalf of the State of Vermont:

DATED at Montpelier, Vermont this 5th day of January, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: Helen E. Wagner
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609
802-828-2508

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APPROVED AS TO FORM:

Helen E. Wagner
Assistant Attorney General
Vermont Attorney General's Office
109 State Street
Montpelier, VT 05609
For the State of Vermont

Jasdeep Pannu, Esq.
315 St. Paul Street
Burlington, VT 05401
For Christopher P. Moreau and
Fired-Up Tobacco, Inc.

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DECREE, ORDER, AND FINAL JUDGMENT

This Consent Decree is accepted and entered as a Decree, Order, and Final Judgment of this Court in the Matter of State of Vermont v. Christopher P. Moreau d/b/a Fired-Up Tobacco, Inc, Docket No. 665-11-14 Wncv.

SO ORDERED.

DATED at Montpelier, Vermont this 6th day of January 2015.

Mary Miles Teachout
Washington Superior Court Judge

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STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

STATE OF VERMONT, **Plaintiff**	)	
v.	)	
FLORISTS' TRANSWORLD DELIVERY, INC.	)	**CIVIL DIVISION** **Docket No.**
and	)	
FTD.COM INC.	)	
Defendants	)	

FINAL JUDGMENT AND CONSENT DECREE

Plaintiff, the State of Vermont ("Plaintiff") has filed a Complaint for a permanent injunction and other relief in this matter pursuant to the Vermont Consumer Protection Act, 9 V.S.A. chapter 63 alleging the Defendants Florists' Transworld Delivery, Inc. and its wholly-owned subsidiary FTD.COM Inc. (hereinafter collectively referred to as "Defendants"), committed violations of the Consumer Protection Act in the offer and/or sale of consumer goods and consumer services.

Plaintiff, by its counsel, and the Defendants, by their counsel, have agreed to the entry of this Final Judgment and Consent Decree ("Consent Decree") by this Court without trial or adjudication of any issue of fact or law, and without admission of any wrongdoing or admission of any of the violations of the Consumer Protection Act or any other law as alleged by Plaintiff.

Plaintiff has brought this action to conclude a multi-state investigation of the Defendants conducted by the Attorneys General of Alabama, Alaska, Delaware, Florida, Idaho, Illinois, Kansas, Maryland, Maine, Michigan, Nebraska, New Jersey, New Mexico, North Dakota, Ohio,

Oregon, Pennsylvania, South Dakota, Texas, Vermont, Washington and Wisconsin (hereinafter collectively referred to as the "Attorneys General"). Contemporaneous with this Consent Decree, the Defendants are entering into similar agreements with each of the Attorneys General of the States.

PARTIES

1. Plaintiff is the State of Vermont. The Vermont Attorney General is authorized under the Consumer Protection Act, 9 V.S.A. § 2458(b), to sue to enforce the Act's prohibitions on unfair and deceptive acts and practices in commerce.

2. Defendant Florists' Transworld Delivery, Inc. is a Michigan corporation located at 3113 Woodcreek Drive, Downers Grove, Illinois 60515 that offers and sells flowers and other gifts through its subsidiary Defendant FTD.COM Inc. at the www.ftd.com website that is available to Vermont consumers.

DEFINITIONS

3. **"Account Information"** means any information, encrypted or not, that would enable the Defendants, or a third party acting on the Defendants' behalf, to cause a charge to be placed against a consumer's account, whether credit, debit, or any other kind of account or method of billing. Account Information includes, but is not limited to, any credit or debit card account numbers, credit or debit card type, expiration date, security code and other information or data used strictly for the purpose of billing a Consumer.

4. **"Clearly and Conspicuously"** and **"Clear and Conspicuous,"** when referring to a statement or disclosure, shall mean that such statement or disclosure is disclosed in such size, color, contrast, location, duration, and audibility that it is readily noticeable, readable, understandable, and capable of being heard. A statement may not contradict or be inconsistent

with any other information with which it is presented. If a statement modifies, explains, or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, in a manner that is likely to be noticed, readable, and understandable, and it must not be obscured in any manner. Audio disclosure shall be delivered in a volume and cadence sufficient for a consumer to hear and comprehend it. Visual disclosure shall be of a size and shade and appear on the screen for a duration sufficient for a consumer to read and comprehend it. In a print advertisement or promotional material, including, but without limitation, point of sale display or brochure materials directed to consumers, the disclosures shall be in a type size and location sufficiently noticeable for a consumer to read and comprehend it, in a print that contrasts with the background against which it appears.

5. **"Consumer"** shall have the same meaning as that term is defined in the Consumer Protection Act identified in this Consent Decree.

6. **"Consumer Protection Act"** shall be the Vermont Consumer Protection Act, 9 V.S.A. chapter 63 and any future amendments thereto.

7. **"Effective Date"** shall mean the date on which this Consent Decree is entered by the Court.

8. **"Free-to-Pay Conversion"** means an offer or agreement to sell or provide any goods or services to a Consumer for a free trial period after which the Consumer will be billed a fee if the Consumer does not reject the offer or cancel the agreement.

9. **"Marketing Partner(s)"** means any person or entity that the Defendants have authorized to offer, promote, advertise or sell any Membership Program to the Defendants' Consumer customers.

10. **"Membership Program(s)"** means any program, product, or service offered by a third party that includes recurring charges following a Free-to-Pay Conversion; provided, however, as used in this Consent Decree, a "Membership Program" shall not include, without limitation, a program, product, or service marketed through a banner ad.

11. **"Personal Information"** means an individual's first name or first initial and last name in combination with the individual's billing address, Social Security number, driver's license number, financial or credit account numbers or Individual Taxpayer Identification number. For purposes of this Consent Decree, Personal Information shall include Account Information.

PLAINTIFF'S ALLEGATIONS

12. The Defendants engage and have engaged in the business of offering and selling consumer goods and consumer services to Vermont Consumers via the Internet through websites controlled by the Defendants.

13. Between 2005 and 2010, the Defendants entered into a number of post-transaction marketing agreements (hereinafter "marketing agreement(s)") with Marketing Partner, Webloyalty, Inc.

14. Pursuant to the Defendants' marketing agreements with their Marketing Partner referenced in the previous paragraph, the Defendants agreed to display advertisements for Membership Programs on the Defendants' website. Some of the advertisements were published to Consumers in the course of their transactions with the Defendants. In most cases, the advertisements were published immediately following the Consumers' transactions with the Defendants.

15. The Defendants earned revenue from these marketing agreements based on the number of Marketing Partner offers viewed by Consumers on the Defendants' website, commonly referred to in the marketing agreements as "impressions," and/or the number of times a Consumer accepted a Marketing Partner's offer, commonly referred to in the marketing agreements as a "conversion."

16. The advertisements offered various Membership Programs, such as discount clubs, travel rewards programs, and insurance-type products. These Membership Programs typically offered an initial free-trial period, with a Free-to-Pay Conversion that resulted in a large number of Consumers complaining to the Attorneys General that they were unwittingly billed for Membership Programs until they cancelled the Membership Programs.

17. In some instances, the advertisements were presented to Consumers with the Defendants' logo while they were in the process of completing their transactions with the Defendants. This gave some Consumers the impression that they were still conducting business with Defendants (as opposed to the Defendants' Marketing Partner). The advertisements failed to adequately identify the Marketing Partner as the business making the offer. Consequently, some Consumers were not aware that the offer was coming from the Defendants' Marketing Partner and not from the Defendants.

18. In some instances, Consumers were encouraged to respond to the Marketing Partner's offers by clicking a "Continue" or "Yes" button in order to claim a discount or cash back reward on the Consumer's purchase with the Defendants or some other retailer, making the advertisement appear as if it were presented by the Defendants instead of a Marketing Partner. The Defendants did not adequately inform Consumers that by clicking on these buttons, they were being directed to an entirely different website hosted by a Marketing Partner.

19. In other instances, Consumers needed only to enter their email addresses or check a box in order to accept the Marketing Partner's offer, unaware due to inadequate disclosure that, by doing so, they were agreeing to enroll in a Membership Program.

20. Defendants had authority, pursuant to their marketing agreements with their Marketing Partner, to review, revise and/or refuse to display any Marketing Partner's offer or advertisement.

21. As a result of the above-described practices, some Consumers who enrolled in Membership Programs did so without knowing they were agreeing to enroll in a Membership Program that would cost them money they did not intend to spend. Many Consumers never availed themselves of the Membership Programs' purported benefits.

22. In order to facilitate the Marketing Partner's billing practices, the Defendants, without adequately obtaining permission from Consumers, electronically passed Consumers' credit or debit card account information to their Marketing Partner when the Consumers enrolled in a Membership Program.

23. The Defendants' privacy policies were misleading, inconsistent or failed to adequately inform Consumers that the Defendants shared Consumers' Personal Information with third parties, including Defendants' Marketing Partner, when Consumers enrolled in a Membership Program.

DEFENDANTS' DENIALS

24. The Defendants deny any and all allegations made by Plaintiff that they have engaged in wrongdoing of any kind. The Defendants are confident that if any of the alleged misconduct were to be litigated, the Defendants would prevail on each and every claim asserted by the Plaintiff. However, to avoid the substantial burden and expense on the Defendants that

would result from continued investigation into these issues or litigation, the Defendants have elected to resolve this matter through a consensual resolution. More specifically, the Defendants make the following denials:

25. With respect to Membership Programs offered to Defendants' customers by its former Marketing Partner, the Defendants sought to ensure that Membership Program offers made to Consumers complied with governing law by adopting a three-tier approach: (a) negotiation of contractual terms that required the Marketing Partner to make clear and conspicuous disclosures in the Membership Program offers; (b) review of the Membership Program offers to ensure that the disclosures were clear and conspicuous; and (c) follow-up on Consumer complaints received by the Defendants to ensure that the Marketing Partner provided appropriate refunds to a dissatisfied customer. As a result of this three-tier approach, the Membership Program offers made to Consumers were clear and conspicuous as a matter of law, in that they clearly delineated the party making the offer, described all of the salient terms and conditions of the offer, and obtained acceptance of the offer from customers with unambiguous language located in immediate proximity to the "Yes" or similar button that the action of clicking the button authorized the Defendants to provide certain Personal Information to the Marketing Partner in order to complete their transaction. Under no circumstances did the Defendants ever share a Consumer's Personal Information with a third party without first receiving that Consumer's informed consent. In addition to these clear and conspicuous disclosures, the Defendants' Marketing Partner reminded Consumers via e-mail, prior to being charged, that they would soon be charged for their participation in the Membership Programs and provided dissatisfied consumers with refunds. As of January 2010, the Defendants had voluntarily terminated their contract with their Marketing Partner.

APPLICATION

26. The provisions of this Consent Decree apply to the Defendants and their agents, successors, assignees, merged or acquired entities, controlled affiliates, controlled subsidiaries or divisions, and parent or controlling entities, over which the Plaintiff has jurisdiction.

27. The provisions of this Consent Decree shall apply to the Defendants in connection with the offer and/or sale of Membership Programs to Vermont Consumers; provided, however, that in the case of the offer and/or sale of Membership Programs, the provisions of this Consent Decree shall only apply when a Membership Program is marketed during or immediately following the Consumer's transaction with the Defendants.

INJUNCTION

28. The Defendants shall not engage in any act or practice in violation of the Consumer Protection Act in connection with any offer of any Membership Program.

29. The Defendants shall not engage in any act or practice that violates the Restore Online Shoppers' Confidence Act, 15 U.S.C. §8401, *et seq.*

30. The Defendants shall not make any express or implied misrepresentations that have the capacity, tendency or effect of deceiving or misleading Consumers in connection with the offer or sale of any Membership Program.

31. The Defendants shall not transfer Consumers' Personal Information to any third party unless it is lawful to do so, and, prior to obtaining the Consumers' Personal Information, the Defendants Clearly and Conspicuously disclose their privacy practices and/or policies, including whether and to what extent the Defendants share Consumers' Personal Information

with third parties. Nothing contained in this paragraph shall alter or modify the requirements of paragraph 36.

32. The Defendants shall not make any false, misleading, deceptive, or conflicting statements to Consumers regarding Defendants' privacy practices and/or policies. The Defendants shall ensure any privacy policy displayed, or otherwise made available, to Consumers on their website is consistent with the Defendants' practices regarding their handling of Consumers' Personal Information.

33. The Defendants shall not use the phrase "risk-free" in connection with any Membership Program that has, in effect, a negative option requiring the Consumer to opt-out or cancel the service in order not to be billed or charged for any Membership Program.

34. The Defendants shall comply with the Federal Trade Commission ("FTC") Guide Concerning Use of the Word "Free" and Similar Representations, 16 C.F.R. § 251.1 and any amendments thereto in connection with the offer of any Membership Program.

35. The Defendants shall not misrepresent the reason or purpose for which a Consumer is receiving any offer or advertisement for a Membership Program.

36. The Defendants shall not transfer, release or otherwise share Consumers' Account Information to a Marketing Partner unless it is lawful to do so.

37. The Defendants shall not misrepresent their relationship with any Marketing Partner.

38. The Defendants shall not allow any Marketing Partner to include any of the Defendants' corporate or trade names or logos in any advertisement or offer for a Membership Program in a manner that misrepresents or obscures the identity of either the Defendants or the

Marketing Partner offering the Membership Program including, but not limited to, the use of any of the Defendants' corporate or trade name or logo in the title of a Membership Program.

39. The Defendants shall not permit their Marketing Partners to offer any goods or services to the Defendants' Consumers until after Consumers have completed their transactions with the Defendants, including (i) the Consumer's acceptance of all charges for the goods and/or services purchased from the Defendants and (ii) the presentation, if any, by the Defendants to the Consumer of a confirmation page with respect to the order immediately following the Consumer's transaction with the Defendants.

40. The Defendants shall, when directing a Consumer from one of their websites to any website operated by a Marketing Partner, Clearly and Conspicuously disclose, in a manner that is separate and apart from the Consumer's transaction with the Defendants: (i) the Consumer is leaving the Defendants' website; (ii) the Consumer is about to enter the unaffiliated Marketing Partner's website for the purpose of receiving an offer from the Marketing Partner; and (iii) the Consumer is advised to read the Marketing Partner's Terms of Service and Privacy Policy. In addition, the Consumer will be required to take some affirmative action to acknowledge and proceed past the disclosures required by this paragraph, for example by clicking an "OK" button.

41. The Defendants shall include in all contracts with their Marketing Partners a requirement that the Marketing Partners represent that they are in compliance with all applicable laws and regulations relating to the offer of Membership Programs, including the Restore Online Shoppers' Confidence Act ("ROSCA"), 15 U.S.C. §8401, *et seq*.

42. The Defendants shall not misrepresent the reason for requesting a Consumer's Account Information.

43. The Defendants shall include in all contracts with their Marketing Partners the requirement that the Marketing Partners Clearly and Conspicuously disclose to the Consumer the material terms and conditions of any Membership Program prior to the Consumer agreeing to enroll in any Membership Program.

44. The Defendants shall include in all contracts with their Marketing Partners a clause permitting the Defendants to terminate their relationship with a Marketing Partner that offers or sells a Membership Program in a manner that fails to comply with ROSCA, any other applicable law or regulation relating to the offer of Membership Programs, or the Marketing Partner's contractual obligations under paragraph 43 of this Consent Decree.

45. In the event that the Defendants receive a request to cancel a Membership Program from a Consumer, or on a Consumer's behalf, the Defendants shall: (i) promptly transmit to their Marketing Partners the Consumer's cancellation request; and (ii) provide the cancelling Consumer with the name of the Marketing Partner offering the Membership Program, including the Marketing Partner's mailing address, e-mail address, toll-free telephone number, and web address, if available.

46. The Defendants shall promptly request their Marketing Partners to give prompt and full refunds to any Consumer upon request by the Consumer, or upon receipt of any complaint, if the Consumer indicates he/she did not consent to enrollment in a Membership Program or otherwise did not accept the Membership Program offer, regardless of whether the Defendants receive the Consumer's request or complaint directly from the Consumer or from an Attorney General, another government agency, or the Better Business Bureau.

PAYMENT TO THE ATTORNEYS GENERAL

47. Within thirty (30) days of the Effective Date, the Defendants shall collectively pay Two Million Eight Hundred Twenty-Two Thousand Four Hundred Dollars ($2,822,400) in the aggregate to the Attorneys General, to be distributed among the states as agreed by the Attorneys General. Plaintiff acknowledges that this payment does not constitute a fine or penalty. The money received by the Vermont Attorney General's Office pursuant to this paragraph may be used, in accordance with Vermont law, to reimburse the Vermont Attorney General's Office for costs incurred during the investigation of this matter, for consumer education or other consumer protection purposes, and/or for any other use permitted by state law, pursuant to the Constitution of the State of Vermont, Ch.II § 27, and 32 V.S.A. § 462.

RELEASE

48. Following full payment of the amounts due under this Consent Decree, the Plaintiff shall release and discharge the Defendants from all civil claims, causes of action, damages, restitution, fines, costs, attorneys' fees, and penalties that the Plaintiff could have brought under the Consumer Protection Act or any other statutory or common law claims concerning unfair, deceptive or fraudulent trade practices based on the Defendants' conduct prior to the date of the entry of this Consent Decree, as alleged in paragraphs 12 through 23 herein, but expressly excluding any and all such claims relating to the Defendants' use of banner ads on their websites. Nothing contained in this paragraph shall be construed to limit the ability of the Plaintiff to enforce the obligations that the Defendants have under this Consent Decree. Nothing in this Consent Decree shall be construed to create, waive or limit any private right of action. This Consent Decree shall not be construed or used as a waiver or any limitation of any defense otherwise available to the Defendants in any pending or future legal or administrative action or proceeding relating to the Defendants' conduct prior to the Effective Date or of the Defendants'

right to defend themselves from, or make any arguments in, any individual or class claims or suits relating to the existence, subject matter, or terms of this Consent Decree.

49. Notwithstanding any term of this Consent Decree, any and all of the following forms of liability are specifically reserved and excluded from the release in paragraph 48 as to any entity or person, including the Defendants:

(a) Any criminal liability that any person or entity, including the Defendants, have or may have to the State of Vermont.

(b) Any civil or administrative liability that any person or entity, including the Defendants, have or may have to the State of Vermont under any statute, regulation or rule not covered by the release in paragraph 48 above, including but not limited to, any and all of the following claims:

(i) State or federal antitrust violations;

(ii) State or federal securities violations; or

(iii) State or federal tax claims.

COMPLIANCE MONITORING

50. No later than thirty (30) days after the Effective Date, the Defendants shall implement the following program of internal monitoring to ensure compliance with this Consent Decree:

(a) For a period of not less than three (3) years from the Effective Date, the Defendants shall make a record of and retain all Consumer complaints brought to the Defendants' attention regarding any Membership Program offered on the Defendants' website, or in connection with a visit to the Defendants' website, along with information from a Consumer, if any, which indicates that the Consumer did not consent to

enrollment in a Membership Program;

(b) For a period of not less than three (3) years from the Effective Date, the Defendants shall retain a representative copy of each type of solicitation for a Membership Program offered on the Defendants' website or in connection with a visit to the Defendants' website;

(c) For a period of three (3) years from the Effective Date, upon reasonable prior written notice, the Plaintiff shall be permitted to inspect and copy all records as may be reasonably necessary to determine whether the Defendants are in compliance with this Consent Decree. This provision shall not be construed as limiting or restricting in any way the Plaintiff's right to obtain information, documents or testimony from the Defendants pursuant to any state or federal law, regulation or rule; and

(d) Annually, for a period of not less than three (3) years from the Effective Date, (i) if the Defendants present solicitations for Membership Programs on their website, or in connection with a visit to the Defendants' website, the Defendants shall cause all of their vice presidents or higher corporate officers who have direct responsibility for the Defendants' contact with Consumers to review a copy of this Consent Decree; and (ii) the Defendants also shall provide a copy of this Consent Decree to all of their vice presidents or higher corporate officers who have direct responsibility for the Defendants' contact with Consumers within thirty (30) days of hiring such officer.

DUTY TO COOPERATE

51. In connection with any investigation of any Marketing Partner of the Defendants, including but not limited to, Webloyalty, Inc., the Defendants shall cooperate in good faith with Plaintiff and appear at such places and times as Plaintiff shall reasonably request, after written

notice, for interviews, conferences, pretrial discovery, review of documents, and for such other matters as may be reasonably requested by the Plaintiff.

GENERAL PROVISIONS

52. The Defendants shall not cause or encourage third parties, nor knowingly permit third parties acting on their behalf, to engage in practices from which the Defendants are prohibited by this Consent Decree.

53. The Defendants shall not enter into, continue, or renew any contract or relationship with any Marketing Partner for the purpose of marketing a Membership Program if the contract or relationship would result in the Defendants violating the terms of this Consent Decree.

54. This Consent Decree represents the full and complete terms of the settlement entered by the parties hereto. In any action undertaken by the parties, neither prior versions of this Consent Decree nor prior versions of any of its terms that were not entered by the Court in this Consent Decree may be introduced for any purpose whatsoever.

55. All parties participated in the drafting of this Consent Decree.

56. This Court retains jurisdiction of this Consent Decree and the parties hereto for the purpose of enforcing and modifying this Consent Decree and for the purpose of granting such additional relief as may be necessary and appropriate. No modification of the terms of this Consent Decree shall be valid or binding unless made in writing, signed by the parties, and approved by this Court, and then only to the extent specifically set forth in this Court's Order. The parties may agree in writing, through their counsel, to an extension of any time period in this Consent Decree without a court order.

57. This Consent Decree may be executed in counterparts, and a facsimile or .pdf signature shall be deemed to be, and shall have the same force and effect, as an original signature.

58. All Notices under this Consent Decree shall be provided to the following address via Electronic and/or Overnight Mail, unless a different address is specified in writing by the party changing such address:

James Layman
Assistant Attorney General
Vermont Attorney General's Office
109 State Street
Montpelier, VT 05609
james.layman@state.vt.us
For the Plaintiff

Scott Levin
Executive Vice President and General Counsel
Florists' Transworld Delivery, Inc.
FTD.COM Inc.
3113 Woodcreek Drive
Downers Grove, IL 60515
Phone: (630) 724-6729
Fax: (630) 719-7800
E-mail: legalftd@ftdi.com
For the Defendants

59. Any failure by any party to this Consent Decree to insist upon the strict performance by any other Party of any of the provisions of this Consent Decree shall not be deemed a waiver of any of the provisions of this Consent Decree, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Consent Decree. For the Plaintiff, this shall be without prejudice to the imposition of any applicable remedies, including but not limited to

contempt, civil penalties as set forth in the Consumer Protection Act and/or the payment of attorneys' fees to the Plaintiff, and any other remedies under applicable state law.

60. If any clause, provision or section of this Consent Decree other than paragraph 48 shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Consent Decree and this Consent Decree shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision had not been contained herein.

61. Nothing in this Consent Decree shall be construed as relieving the Defendants of the obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions of this Consent Decree be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

62. The parties understand and agree that this Consent Decree shall not be construed as an approval of or sanction by the Plaintiff of the Defendants' business practices, and the Defendants shall not represent otherwise. The parties further understand and agree that any failure by the Plaintiff to take any action in response to any information submitted pursuant to the Consent Decree shall not be construed as an approval, or sanction, of any representations, acts or practices indicated by such information, nor shall it preclude action thereon at a later date.

63. The Defendants shall deliver a copy of this Consent Decree to, or otherwise apprise, their executive management having decision-making authority with respect to the subject matter of this Consent Decree within fourteen (14) days of the Effective Date.

64. The Defendants shall not participate, directly or indirectly, in any activity or form a separate entity or corporation for the purpose of engaging in acts or practices in whole or in part in the State of Vermont which are prohibited in this Consent Decree or for any other purpose

which would otherwise circumvent any part of this Consent Decree or the spirit or purposes of this Consent Decree.

65. If the Plaintiff determines that the Defendants made any material misrepresentation or omission relevant to the resolution of this investigation, the Plaintiff retains the right to seek modification of this Consent Decree.

66. All court costs are to be paid by the Defendants.

67. The Defendants may petition the Court for modification on thirty (30) days' notice to the Plaintiff. Modification may be appropriate if the underlying facts and circumstances have changed in any material respect. In addition, the parties by stipulation may agree to a modification of this Consent Decree, which stipulation shall be presented to this Court for consideration; provided that the parties may jointly agree to a modification only by a written instrument signed by or on behalf of both the Defendants and the Plaintiff. If the Defendants seek a stipulation for a modification of this Consent Decree, they shall send a written request to the Plaintiff at least thirty (30) days prior to filing a motion with the Court for such modification. The Plaintiff shall respond to the request for modification within thirty (30) days of receipt of the request.

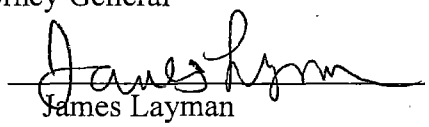
IT IS SO ORDERED, ADJUDGED, AND DECREED.

_____

JUDGE

FOR THE STATE OF VERMONT

WILLIAM H. SORRELL
Attorney General

By: 

James Layman
Assistant Attorney General
Office of the Attorney General
State of Vermont
109 State Street
Montpelier, VT 05609
Phone: 802-828-2315
james.layman@state.vt.us

FOR FLORISTS' TRANSWORLD DELIVERY, INC. AND FTD.COM INC.

By: Scott Levin

Scott Levin
Executive Vice President and General Counsel
Florists' Transworld Delivery, Inc.
FTD.COM Inc.
3113 Woodcreek Drive
Downers Grove, IL 60515
Phone: (630) 724-6729
legalftd@ftdi.com

LOCAL COUNSEL

By: Hillary A. Hamilton

Hillary A. Hamilton, Esq. (VT Bar #4241)
Skadden, Arps, Slate, Meagher & Flom LLP
300 S. Grand Avenue, Suite 3400
Los Angeles, CA 90071
Phone: (213) 687-5576
hillary.hamilton@skadden.com

STATE OF VERMONT
SUPERIOR COURT
2015 APR 27 P 12:26 **WASHINGTON UNIT**

IN RE: Harris Connect, LLC	)	CIVIL DIVISION
	)	Docket No. 275-4-15 Wncv
	)	

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Harris Connect, LLC ("Respondent"), hereby agree to this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. §§ 2459 and 2479(b).

REGULATORY FRAMEWORK

1. Vermont's Consumer Protection Act prohibits "[u]nfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce." 9 V.S.A. § 2453.

2. Vermont's Charitable Solicitations law requires paid fundraisers that have "solicited contributions in this state" to file a financial report "[n]o later than 90 days after a fundraising campaign has been completed, and no later than 90 days after the anniversary of the commencement of a fundraising campaign lasting more than one year." 9 V.S.A. § 2477(a).

3. The requirements for the financial report are detailed in 9 V.S.A. § 2477(b) and Consumer Protection Rule CP 119.06.

4. Under 9 V.S.A. § 2479(a), a violation of the Charitable Solicitations Law is deemed to be a violation of 9 V.S.A. § 2453 of the Vermont Consumer Protection Act.

5. The Attorney General is authorized to pursue enforcement and seek relief under 9 V.S.A. § 2458 for violations of the Consumer Protection Act, including injunctive relief,

civil penalties of up to $10,000 for each violation of the Act, and reimbursement for the reasonable value of its services and its expenses in investigating and prosecuting an action.

DEFINITIONS

6. For the purposes of this AOD, the terms "charitable organization," "fundraising campaign," "paid fundraiser," and "solicitation" are defined in the same manner as they are defined in 9 V.S.A. § 2471.

BACKGROUND

7. Respondent Harris Connect is a for-profit corporation incorporated under the laws of Delaware, with its principal place of business located at 1400-A Crossways Boulevard, Chesapeake, Virginia. Respondent conducts business throughout the State of Vermont as a paid fundraiser for various charitable organizations.

8. From at least 2010 to the present, Respondent has solicited contributions by telephone from Vermont residents on behalf of various charitable organizations, including Fletcher Allen Health Care, Inc., the University of Texas, and Nantucket Cottage Hospital.

9. Between 2011 and 2013, Respondent conducted between eleven and seventeen fundraising campaigns in Vermont each year.

10. On May 2, 2014, the Attorney General's Office informed Respondent that fifteen financial reports for fundraising campaigns conducted in Vermont were delinquent, including fundraising campaigns conducted on behalf of Fletcher Allen Health Care, Inc., the University of Texas, and Nantucket Cottage Hospital (collectively, the "Delinquent Financial Reports"). Specifically, the Delinquent Financial Reports were all due by the end of March 2014.

11. Between May 6 and May 7, 2014, Respondent informed the Attorney General's Office that since May 2, 2014, it had submitted ten of these reports and that two additional reports were duplicative and did not need to be filed. Respondent did not submit the Delinquent Financial Reports at this time.

12. On October 30, 2014, the Attorney General's Office again informed Respondent that it had failed to submit the Delinquent Financial Reports. Respondent replied that it would "look into the status" of the Delinquent Financial Reports, but did not file them.

13. On November 21, 2014, Respondent informed the Attorney General's Office that it would complete the Delinquent Financial Reports "by the end of next week."

14. Respondent had not submitted the Delinquent Financial Reports as of April 7, 2015, making them all more than one year over-due.

15. Respondent admits the truth of all facts set forth in the Background section.

16. The Attorney General alleges that the above conduct demonstrates violations of 9 V.S.A. §§ 2477(a), and further alleges that any such violation would constitute unfair and deceptive acts and practices under 9 V.S.A. § 2453.

AGREEMENT

Future Compliance

17. It is hereby AGREED that Respondent Harris Connect:

a. Shall comply with all provisions of the Vermont Consumer Protection Act, including but not limited to provisions in 9 V.S.A. chapter 63, subchapters 1 and 2 , Consumer Protection Rule 119, and all other applicable Vermont laws;

b. Shall file the Delinquent Financial Reports within ten (10) days of the effective date of this AOD; and

c. Shall file all future financial reports required under 9 V.S.A. § 2477(a) by the date they are due pursuant to that statute.

18. It is hereby AGREED that the parties have compromised and settled all potential claims regarding alleged violations of 9 V.S.A. §§ 2477(a) described in the Background section of this AOD, up to March 31, 2015.

Monetary Relief

19. As part of this negotiated settlement, it is hereby AGREED that Respondent Harris Connect shall pay sixteen thousand dollars ($16,000), as described below.

20. Of the amount described in paragraph 21,

a. Within ten (10) days of both parties signing this AOD, Respondent shall pay fifteen thousand dollars ($15,000) as a civil penalty to the State of Vermont. Payment shall be made in the form of a bank or cashier's check made out to the State of Vermont and delivered to Assistant Attorney General Todd Daloz, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

b. Within forty (40) days of both parties signing this AOD, Respondent shall pay the remaining one-thousand dollars ($1,000) to the State of Vermont for the State's fees and costs of investigation in connection with this matter. Payment shall be made either by wire transfer or in the form of a bank or cashier's check made out to the State of Vermont and delivered to Assistant Attorney General Todd Daloz, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

OTHER TERMS

21. Respondent Harris Connect agrees that the terms of this AOD shall be binding on Harris Connect, LLC, and its successors and assigns.

22. The Attorney General hereby releases and discharges its claims arising under the 9 V.S.A. § 2477(a) that it may have against Respondent for the conduct described in the Background section up to March 31, 2015.

23. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this AOD and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this AOD.

STIPULATED PENALTIES

24. If the Superior Court of the State of Vermont, Washington Unit, enters an order finding Respondent Harris Connect to be in violation of this AOD, then the parties agree that penalties to be assessed by the Court are as follows:

a. For failure to submit the Delinquent Financial Reports by the date referenced in paragraph 17(b), the penalty shall be $1000 per business day that any one of the Delinquent Financial Reports is late, up to a maximum of $10,000 per report; and

b. For failure to file a financial report referenced in paragraph 17(c) of this AOD within ten (10) business days of receipt of a notice of delinquency from the Attorney General, the penalty shall be $1000 per business day

that any one of the financial reports is late, up to a maximum of $10,000 per report.

SIGNATURE

In lieu of instituting an action or proceeding against Respondent Harris Connect, the Office of the Attorney General, pursuant to 9 V.S.A. §§ 2459 and 2479, accepts this AOD. By signing below, Respondent Harris Connect voluntarily agrees with and submits to the terms of this AOD.

DATED at Sandy Hook, Connecticut, this 20th day of April, 2015.

Harris Connect, LLC

By: Susan L D'Agostino
Its Authorized Agent

Susan L. D'Agostino
Chief Administrative Officer

By: _____
Name and Title of Authorized Agent

ACCEPTED on behalf of the Vermont Attorney General:

DATED at Montpelier, Vermont, this 27th day of April, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____
Todd W. Daloz
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
todd.daloz@state.vt.us
(802) 828-5507

STATE OF VERMONT

SUPERIOR COURT 2015 JUN 26 P 3:56

WASHINGTON UNIT

	)	CIVIL DIVISION
IN RE: Henry Schein, Inc.	)	Docket No. 404-6-15 Wncv
	)	

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Henry Schein, Inc. ("Respondent") hereby agree to this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459.

BACKGROUND

1. The Prescribed Products Disclosure Law, 18 V.S.A. § 4632, requires prescribed product manufacturers to file periodic reports with the Attorney General's Office detailing certain information about the allowable expenditures and permitted gifts the manufacturer gives to Vermont health care providers and other recipients covered under the law.

2. Respondent is incorporated under the laws of Delaware, with its principal place of business located at 135 Duryea Road, Melville, NY 11747. The Attorney General alleges that Respondent is a prescribed products manufacturer subject to the Prescribed Products Disclosure Law, 18 V.S.A. § 4632.

3. The Attorney General alleges that Respondent gave allowable expenditures and/or permitted gifts to Vermont health care providers and/or other recipients covered under the Prescribed Products Disclosure Law, 18 V.S.A. § 4632, during fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through

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05609

December 31, 2011), calendar year 2012 (January 1, 2012 through December 31, 2012) and calendar year 2013 (January 1, 2013 through December 31, 2013).

4. Respondent did not file annual reports with the Attorney General's Office for fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011), calendar year 2012 (January 1, 2012 through December 31, 2012) and calendar year 2013 (January 1, 2013 through December 31, 2013).

5. The facts as alleged by the Attorney General constitute violations of the Prescribed Products Disclosure Law, 18 V.S.A. § 4632.

INJUNCTIVE RELIEF

6. Respondent agrees that it will be considered a prescribed products manufacturer for purposes of the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632. Respondent shall comply with the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632.

7. No later than thirty (30) days after the filing of this Assurance of Discontinuance, Respondent shall make payment to the "State of Vermont" in the amount of $56,250.00 and send to: Wendy Morgan, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, VT 05609.

OTHER TERMS

8. Respondent agrees that this Assurance of Discontinuance shall be binding on Respondent and its successors and assigns.

9. The Attorney General hereby releases and discharges any and all claims arising under the Prescribed Product Disclosure Law, 18 V.S.A. § 4632, that it may have against Respondent for the conduct described in the Background section for fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011), calendar year 2012 (January 1, 2012 through December 31, 2012) and calendar year 2013 (January 1, 2013 through December 31, 2013).

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

10. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this Assurance and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this Assurance of Discontinuance.

STIPULATED PENALTIES

11. If the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondent to be in violation of this Assurance of Discontinuance by having violated the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632, then the parties agree that penalties to be assessed by the Court for each act in violation of this Assurance of Discontinuance shall be $10,000.00. For purposes of this Section, the term "each act" shall mean each violation of the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632 that occurs after the date this Assurance of Discontinuance is executed. This Section 11 shall expire no later than ten years from the effective date of this Assurance of Discontinuance with no further action necessary by the parties. If after the expiration of this Section 11, the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondent to be in violation of this Assurance of Discontinuance by having violated the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632, any such violation shall be governed by the terms of the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. § 4632(c).

NOTICE

12. Respondent may be located at:

Nancy F. Lanis

Vice President, Regulatory & Legal Affairs Henry Schein, Inc.

135 Duryea Road

Melville, NY 11747

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

13. Respondent shall notify the Attorney General of any change of business name or address within 20 business days.

SIGNATURE

In lieu of instituting an action or proceeding against Respondent, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

DATED at Melville, New York, this 15th day of June, 2015.

HENRY SCHEIN, INC.

By: Nancy Lanis
Vice President, Regulatory & Legal Affairs

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this 15th day of June, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL

ATTORNEY GENERAL

By: _____

Kate Whelley McCabe
Wendy Morgan
Assistant Attorneys General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
wendy.morgan@state.vt.us
802.828.5586

cc: Seth H. Lundy, King & Spalding LLP
Brian A. Bohnenkamp, King & Spalding LLP

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2015 FEB 26 P 3:04

IN RE: Heraeus Kulzer, LLC	)	CIVIL DIVISION
	)	Docket No. 125-2-15 Wncv
	)	

FILED

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Heraeus Kulzer, LLC ("Respondent") hereby agree to this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459.

BACKGROUND

1. The Prescribed Products Disclosure Law, 18 V.S.A. § 4632, requires prescribed product manufacturers to file periodic reports with the Attorney General's Office detailing certain information about the allowable expenditures and permitted gifts the manufacturer gives to Vermont health care providers and other recipients covered under the law.

2. Respondent is a prescribed product manufacturer incorporated under the laws of Delaware, with its principal place of business located at 300 Heraeus Way, South Bend, IN 46614-2517.

3. Respondent gave allowable expenditures and/or permitted gifts to Vermont health care providers and/or other recipients covered under the Prescribed Products Disclosure Law, 18 V.S.A. § 4632, during fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011), calendar year 2012 (January 1, 2012 through December 31, 2012) and calendar year 2013 (January 1, 2013 through December 31, 2013).

4. Respondent failed to file annual reports with the Attorney General's Office for fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June

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109 State Street
Montpelier, VT
05609

30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011), calendar year 2012 (January 1, 2012 through December 31, 2012) and calendar year 2013 (January 1, 2013 through December 31, 2013).

5. The above conduct constitutes violations of the Prescribed Products Disclosure Law, 18 V.S.A. § 4632.

INJUNCTIVE RELIEF

6. Respondent shall comply with the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632.

7. No later than thirty (30) days after the filing of this Assurance of Discontinuance, Respondent shall make payment to the "State of Vermont" in the amount of $45,000.00, and send to: Kate Whelley McCabe, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, VT 05609.

OTHER TERMS

8. Respondent agrees that this Assurance of Discontinuance shall be binding on Respondent and its successors and assigns.

9. The Attorney General hereby releases and discharges any and all claims arising under the Prescribed Product Disclosure Law, 18 V.S.A. § 4632, that it may have against Respondent for the conduct described in the Background section for fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011), calendar year 2012 (January 1, 2012 through December 31, 2012) and calendar year 2013 (January 1, 2013 through December 31, 2013).

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Montpelier, VT
05609

10. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this Assurance and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this Assurance of Discontinuance.

STIPULATED PENALTIES

11. If the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondent to be in violation of this Assurance of Discontinuance by having violated the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632, then the parties agree that penalties to be assessed by the Court for each act in violation of this Assurance of Discontinuance shall be $10,000.00. For purposes of this Section, the term "each act" shall mean each violation of the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632 that occurs after the date this Assurance of Discontinuance is executed. This Section 11 shall expire no later than ten years from the effective date of this Assurance of Discontinuance with no further action necessary by the parties. If after the expiration of this Section 11, the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondent to be in violation of this Assurance of Discontinuance by having violated the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632, any such violation shall be governed by the terms of the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. § 4632(c).

NOTICE

12. Respondent may be located at:

Heraeus Kulzer, LLC
Attn: Kira Geiss

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

300 Heraeus Way
South Bend, IN 46614-2517

13. Respondent shall notify the Attorney General of any change of business name or address within 20 business days.

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

SIGNATURE

In lieu of instituting an action or proceeding against Respondent, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

DATED at Heraeus Kulzer this 20 day of February, 2015.

ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this 26th day of February, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By:

Kate Whelley McCabe
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
~~kwhelleymccabe@atg.state.vt.us~~ Kate.whelleymccabe@state.vt.us
802.828.5621

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

cc: Seth H. Lundy, King & Spalding LLP
Brian A. Bohnenkamp, King & Spalding LLP

FULL RELEASE AND ASSIGNMENT

Claim No.: 564 S 56297

KNOW ALL MEN AND WOMEN BY THESE PRESENTS:

That, for and in consideration of the sum of Six Thousand and 00/100 Dollars ($6,000.00), paid by Hartford Fire Insurance Company, a corporation organized under the laws of the State of Connecticut, and its subsidiaries, affiliates, parents, successors and assigns (hereinafter collectively referred to as "Hartford") the receipt and sufficiency of which is hereby acknowledged, the Undersigned does hereby expressly release, remise, and discharge Hartford of and from any and all past, present and future liability that Hartford has, had, now has, or may have, by virtue of its issuance of Charitable Solicitations Bond No. 20 BSB GC6797, dated September 22, 2011, naming Keys Direct Marketing & Communications Inc., as Principal, and naming Office of the Attorney General, as Obligee; and

In further consideration of the aforesaid payment, Undersigned does hereby sell, assign, transfer and set over unto Hartford all of Undersigned's claims, rights, causes of action, title and interest in and to the account which arose and became due and owing to Undersigned from Principal and does hereby irrevocably constitute and appoint Hartford~~, Undersigned's lawful agent and attorney-in-fact,~~ with full power and authority for its own use and benefit, but at its own cost, to ask, demand, collect, and receive and give acquittance for the same, or any part thereof, and ~~in Undersigned's name or otherwise,~~ to prosecute and withdraw any suits or proceedings at law or in equity therefore. Undersigned does hereby agree to execute any and all further papers, releases and/or assignments that may be necessary to effectuate the purposes of this assignment. The rights assigned hereunder shall be in addition to those arising in law or equity in favor of a surety.

Dated at Burlington, VT this 28th day of October, 2015.

Witness:

Jane Nevins

State of Vermont, Office of the Attorney General

By: [signature]
Its: Charity R. Clark, Assistant Attorney General
(print name and title)
Duly Authorized

THIS RELEASE MUST BE EXECUTED BEFORE A NOTARY PUBLIC

State of Vermont

County of Chittenden

On 10/28 before me, Jane Nevins,
DATE NAME, TITLE OF OFFICER – e.g. JANE DOE, NOTARY

personally appeared Charity R. Clark,
NAME(S) OF SIGNER(S)

☐ Personally known to me -OR- ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Jane E n
Signature of Notary

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2015 MAR -9 A 2:

IN RE: Leica Microsystems, Inc.) CIVIL DIVISION
) Docket No. 155-3-15 Wncv
)

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Leica Microsystems, Inc. (which includes Leica Biosystems Richmond Inc. and Leica Biosystems Imaging Inc.) ("Respondent") hereby agree to this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459.

BACKGROUND

1. The Prescribed Products Disclosure Law, 18 V.S.A. § 4632, requires prescribed product manufacturers to file periodic reports with the Attorney General's Office detailing certain information about the allowable expenditures and permitted gifts the manufacturer gives to Vermont health care providers and other recipients covered under the law.

2. Respondent is a prescribed product manufacturer incorporated under the laws of Delaware, with its principal place of business located at 1700 Leider Lane, Buffalo Grove, IL 60089.

3. Respondent may have given allowable expenditures and/or permitted gifts to Vermont health care providers and/or other recipients covered under the Prescribed Products Disclosure Law, 18 V.S.A. § 4632, during fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011), calendar year 2012 (January 1, 2012 through December 31, 2012) and calendar year 2013 (January 1, 2013 through December 31, 2013).

4. Respondent failed to file annual reports with the Attorney General's Office for fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011), calendar year 2012 (January 1, 2012 through December 31, 2012) and calendar year 2013 (January 1, 2013 through December 31, 2013).

5. The above conduct constitutes violations of the Prescribed Products Disclosure Law, 18 V.S.A. § 4632.

INJUNCTIVE RELIEF

6. Respondent shall comply with the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632.

7. No later than thirty (30) days after the filing of this Assurance of Discontinuance, Respondent shall make payment to the "State of Vermont" in the amount of $50,000.00, and send to: Kate Whelley McCabe, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, VT 05609.

OTHER TERMS

8. Respondent agrees that this Assurance of Discontinuance shall be binding on Respondent and its successors and assigns.

9. The Attorney General hereby releases and discharges any and all claims arising under the Prescribed Product Disclosure Law, 18 V.S.A. § 4632, that it may have against Respondent for the conduct described in the Background section for fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011), calendar year 2012 (January

1, 2012 through December 31, 2012) and calendar year 2013 (January 1, 2013 through December 31, 2013).

10. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this Assurance and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this Assurance of Discontinuance.

STIPULATED PENALTIES

11. If the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondent to be in violation of this Assurance of Discontinuance by having violated the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632, then the parties agree that penalties to be assessed by the Court for each act in violation of this Assurance of Discontinuance shall be $10,000.00. For purposes of this Section, the term "each act" shall mean each violation of the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632 that occurs after the date this Assurance of Discontinuance is executed.

NOTICE

12. Respondent may be located at:

Ms. Huiri Kim
Head of Legal & Compliance
Leica Biosystems & Leica Microsystems, North America
1700 Leider Lane
Buffalo Grove, IL 60089

13. Respondent shall notify the Attorney General of any change of business name or address within 20 business days.

SIGNATURE

In lieu of instituting an action or proceeding against Respondent, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

DATED at Buffalo Grove, IL, this 10th day of Dec, 2014.

Hui Ri Kim
Head of Legal & Compliance

Jean Santore
Finance Mgr

ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this 9 day of March, 2014.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____

Kate Whelley McCabe
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
kwhelleymccabe@atg.state.vt.us
802.828.5621

cc: Nikki Reeves, King & Spalding LLP

STATE OF VERMONT
CHITTENDEN COUNTY, SS.

STATE OF VERMONT, Plaintiff,	)	
v.	)	Chittenden Superior Court Docket No. S888-09 CnC
LEVI STANLEY, Defendant.	)	

AMENDED STIPULATION OF SETTLEMENT AND CONSENT DECREE

1. Plaintiff State of Vermont, through its Attorney General, and Defendant Levi Stanley ("Defendant") have agreed to the entry of this Amended Stipulation of Settlement and Consent Decree in resolution of Defendant's violations of the prior Stipulation of Settlement and Consent Decree dated September 11, 2014 ("2014 Decree").

2. The parties have waived any requirement that the Court make findings of fact or conclusions of law.

3. The State withdraws its Motion for Contempt dated May 21, 2015.

4. The parties agree that this Amended Stipulation of Settlement and Consent Decree is entered into voluntarily and appears to be just to all parties.

5. The Court approves the terms of the parties' agreement and adopts them as its own determination of the parties' respective rights and obligations.

Recitals

6. On July 19, 2007, the State and Defendant entered into an Assurance of Discontinuance filed with the Washington Superior Court under the caption *In re Levi Stanley*, Docket No. 484-7-07 Wncv ("2007 AOD").

7. The 2007 AOD resolved allegations that Defendant failed to provide his door-to-door paving customers with proper notice of their three-day right to cancel, as required by

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109 State Street
Montpelier, VT 05609

9 V.S.A. § 2454, that he attempted to unilaterally raise agreed-upon prices, changed a promised guarantee, otherwise altered agreed upon terms of work, and that he did substandard paving.

8. The 2007 AOD required Defendant to comply with all applicable Vermont laws.

9. The 2007 AOD required Defendant to pay $16,500 in restitution to fifty consumers listed on an attachment to the 2007 AOD and an additional $300 per consumer to consumers not listed in the attachment but who credibly allege that they complained to the Attorney General's Office, were deceived by Defendant with respect to paving work, or had a reasonable basis for being significantly dissatisfied with his work. Fifteen additional consumers were added to the list of consumers to receive restitution following execution of the 2007 AOD for an additional $4,500, totaling $21,000 in restitution.

10. The 2007 AOD required Defendant to pay $15,000 in penalties to the State of Vermont.

11. On January 28, 2009, the State filed a complaint against Defendant alleging violations of Vermont's three-day right to cancel notification pursuant to 9 V.S.A. § 2454, unilaterally attempting to raise an agreed-upon price for paving work, and violating the 2007 AOD.

12. On February 5, 2009, the parties agreed to and this Court approved a Stipulation of Settlement and Consent Decree replacing the 2007 AOD (the "2009 Decree").

13. The 2009 Decree resolved the January 28, 2009, complaint and enjoined Defendant from engaging in any home improvement work unless done in compliance with the Vermont Consumer Protection Act, 9 V.S.A. ch. 63 and the regulations enacted under the Act,

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including providing the required notifications of a consumer's three-day right to cancel a home solicitation sale.

14. The 2009 Decree also prohibited Defendant from (a) engaging in home improvement work without a prior written description of the work to be done and the price, (b) increasing the price of home improvement work above the written price provided before the work begins, and (c) asking a consumer for payment in cash for home improvement work.

15. The 2009 Decree also required Defendant to pay $9,500 for unpaid consumer restitution from the AOD, $15,000 for unpaid civil penalties from the AOD, and $5,000 for additional civil penalties.

16. On September 9, 2014, the State of Vermont and Defendant submitted settlement documents to the Court for approval. The settlement resolved allegations that Defendant failed to comply with both the injunctive and payment provisions of the 2009 Decree.

17. On September 11, 2014, the Court approved a new Stipulation of Settlement and Consent Decree, replacing the 2009 Decree. ("2014 Decree").

18. The 2014 Decree specified a number of obligations that Defendant agreed to, including:

a. monthly payments of at least $100 to the State of Vermont;

b. ceasing all home solicitation for home improvement work, including, home repair and paving;

c. prior to resuming any home improvement work, providing to the Attorney General's Office a blank consumer contract form for approval. The contract must include certain items, such as: a description of the work, the total price of the work, and the signature of the consumer and Defendant;

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d. providing the consumer with a copy of the signed contract; and

e. providing the Attorney General's Office with copies of all contracts with consumers no later than three days after the contracts are signed by the consumer.

19. The 2014 Decree also required payment of additional restitution totaling $900 to each of three new complainants. Upon execution of the 2014 Decree, Defendant's cumulative payment obligations included $21,900 in restitution and $20,000 in civil penalties to the State. At the time the 2014 Decree was finalized, Defendant had paid a total of $17,335.99, leaving a total amount due of $24,564.01.

20. Since entry of the 2014 Decree, Defendant paid the State of Vermont a total of $700. Under the $100 monthly payment terms of the 2014 Decree, Defendant was required to pay $1,300 to date.

21. Defendant did not provide the State of Vermont with a proposed consumer contract for approval.

22. Defendant did not provide the State of Vermont with any contracts which have been signed by consumers since the entry of the 2014 Decree.

23. Defendant solicited home improvement work at the homes of at least three consumers since the entry of the 2014 Decree.

24. Defendant did not provide consumers with a contract for home improvement work.

25. Defendant failed to perform the actions required of him and is in clear violation of the 2014 Decree.

RELIEF

It is hereby ordered, adjudged and decreed as follows:

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

Injunctive Relief

26. Defendant is permanently restrained and enjoined from engaging, directly or through any third party, in any home improvement work in the State of Vermont, including but not limited to paving, home repair, and any kind of grounds work.

Monetary Relief

27. Defendant will pay to the State of Vermont, in the care of the Vermont Attorney General's Office, the sum of $24,464.01, consisting of: $3,864.01 still due under the 2014 Decree for unpaid consumer restitution, $20,000 still due under the 2014 Decree for civil penalties, and $600 total in additional consumer restitution: $300 to Arnold Furness and $300 to Lillian Laperle.[1]

28. Based on Defendant's demonstrated inability to pay the penalties and restitution set forth in paragraph 27, Defendant is not required to pay the full penalty or restitution required by paragraph 27 at this time, provided that he makes minimum monthly payments of $100 until the total amount due has been paid.

29. Defendant shall submit to the Vermont Attorney General's Office, no later than May 1 of each calendar year beginning in 2016 and ending when Defendant has completed the payments required in paragraph 27, accurate copies of his income tax returns for each calendar year beginning in 2015, along with sworn statements of his then-current assets and liabilities.

30. In the event that any income tax return or statement of assets and liabilities required by paragraph 28, above, shows that Defendant has pre-tax income exceeding $50,000,

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

[1] Subsequent to the 2014 Decree, the State received complaints from Arnold Furness, Lillian Laperle, and Shirley Huang regarding Defendant's home solicitation of home improvement work. Defendant has since refunded Ms. Huang $1,300, so further restitution is only required for Mr. Furness and Ms. Laperle.

and/or net assets exceeding $80,000, Defendant shall, no later than June 1, of that year, pay to the State of Vermont, in care of the Attorney General's Office, an amount equal to 20 percent of any pre-tax income exceeding $50,000, plus an amount equal to 20 percent of any net assets exceeding $80,000, provided that once Defendant has paid a total of $24,264.01, he shall have no further liability or obligation to report.

OTHER PROVISIONS

31. This Stipulation of Settlement and Consent Decree shall be binding on Defendant.

32. Defendant's current address is 43 Upper Weldon Street, St. Albans, VT 05478. If Defendant's address should change, he must notify the Attorney General's Office of that change, and of any future change, within 20 business days of each change.

33. This Stipulation of Settlement and Consent Decree resolves the issues raised with respect to Defendant in the recitals set forth in paragraphs 6-24 above.

34. This court shall retain jurisdiction for purposes of enforcement of this Amended Stipulation of Settlement and Consent Decree.

35. Defendant has been advised of his right to, and the advantages of, being represented by an attorney in this matter, and he has freely chosen to represent himself. By his signature, he attests to the fact that he understands the terms of this Stipulation of Settlement and Consent Decree and freely agrees to them.

DATED at Montpelier, Vermont this ___ day of November, 2015.

_____

Superior Judge [_____]

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

STIPULATION OF SETTLEMENT

The undersigned parties stipulate and agree to the foregoing Consent Decree.

Date: 10/29/15

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____
Naomi Sheffield
Assistant Attorney General

Date: _____

LEVI STANLEY

_____

APPROVED AS TO FORM

_____
Naomi Sheffield
Assistant Attorney General
Office of the Vermont Attorney General
109 State Street
Montpelier, VT 05609
For the State of Vermont

_____
Levi Stanley

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

STATE OF VERMONT

SUPERIOR COURT
WASHINGTON UNIT

IN RE: LifeNet Health) CIVIL DIVISION
) Docket No. 73-2-15 Wncv
)

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and LifeNet Health ("Respondent") hereby agree to this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459.

BACKGROUND

1. The Prescribed Products Disclosure Law, 18 V.S.A. § 4632, requires prescribed product manufacturers to file periodic reports with the Attorney General's Office detailing certain information about the allowable expenditures and permitted gifts the manufacturer gives to Vermont health care providers and other recipients covered under the law.

2. Respondent is a prescribed product manufacturer with its principal place of business located at 1864 Concert Drive, Virginia Beach, VA.

3. On January 15, 2014, Respondent reported to the Attorney General that Respondent may have given allowable expenditures and/or permitted gifts to Vermont health care providers and/or other recipients covered under the Prescribed Products Disclosure Law, 18 V.S.A. § 4632, during fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011), and calendar year 2012 (January 1, 2012 through December 31, 2012).

4. Respondent failed to file annual reports with the Attorney General's Office for fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June

30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011) and calendar year 2012 (January 1, 2012 through December 31, 2012).

5. The above conduct constitutes violations of the Prescribed Products Disclosure Law, 18 V.S.A. § 4632.

INJUNCTIVE RELIEF

6. Respondent shall comply with the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632.

7. No later than thirty (30) days after the filing of this Assurance of Discontinuance, Respondent shall make payment to the "State of Vermont" in the amount of $7,750.00, and send to: Kate Whelley McCabe, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, VT 05609.

OTHER TERMS

8. Respondent agrees that this Assurance of Discontinuance shall be binding on Respondent and its successors and assigns.

9. The Attorney General hereby releases and discharges any and all claims arising under the Prescribed Products Disclosure Law, 18 V.S.A. § 4632, that it may have against Respondent for the conduct described in the Background section for fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011) and calendar year 2012 (January 1, 2012 through December 31, 2012).

10. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this Assurance of Discontinuance and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be

necessary or appropriate to enforce compliance with or to punish violations of this Assurance of Discontinuance.

STIPULATED PENALTIES

11. If the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondent to be in violation of this Assurance of Discontinuance by having violated the Prescribed Products Disclosure Law, 18 V.S.A. § 4632, then the parties agree that penalties to be assessed by the Court for each act in violation of this Assurance of Discontinuance shall be $10,000. For purposes of this Section, the term "each act" shall mean each violation of the Prescribed Products Disclosure Law, 18 V.S.A. § 4632, that occurs after the date this Assurance of Discontinuance is executed. This Section 11 on Stipulated Penalties shall expire no later than ten years from the effective date of this Assurance of Discontinuance with no further action necessary by the parties. If, after expiration of this Section 11, the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondent to be in violation of this Assurance of Discontinuance by having violated the Prescribed Products Disclosure Law, 18 V.S.A. § 4632, any such violation shall be governed by the terms of the Prescribed Products Disclosure Law, 18 V.S.A. § 4632(c).

NOTICE

12. Respondent may be located at:

Gordon Berkstresser, CPA
Chief Financial Officer
LifeNet Health
1864 Concert Drive
Virginia Beach, VA 23453

13. Respondent shall notify the Attorney General of any change of business name or address within 20 business days.

SIGNATURE

In lieu of instituting an action or proceeding against Respondent, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

DATED at Virginia Beach, Virginia this 20th day of January, 2015.

Gordon Berkstresser, CPA
Chief Financial Officer
LifeNet Health

ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this 29th day of January, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____
Kate Whelley McCabe
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
kwhelleymccabe@atg.state.vt.us
802.828.5621

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2015 JAN 26 P 4:20

In re MAIN STREET POWER MAIL, INC.)

CIVIL DIVISION
Docket No. _____

56-1-15 Wncv

ASSURANCE OF DISCONTINUANCE

1. Main Street Power Mail, Inc. ("Main Street Power Mail") is an Indiana corporation with offices located at 400 South Main Street, Sheridan, Indiana 46069.

2. Main Street Power Mail generates "leads" for other businesses by sending mailings to consumers requesting responses containing personal information, which information is then provided to the third-party businesses.

3. Between March 2012 and March 2013, Main Street Power Mail mailed over 30,000 copies of a solicitation coded "F202" (Exhibit 1) to Vermont consumers, on information and belief many of them older Vermonters.

4. The mailing clearly implied that Main Street Power Mail was simply offering to provide information to the recipient, free of charge, on a life insurance product. Specifically, it stated (all emphases in the original):

- "**NEW << YEAR>> BENEFIT UPDATE ... FOR << STATE>> CITIZENS ONLY**"
- "This is a personal announcement to all <<State>> citizens age <<age>>."
- "You may now apply for a NEW state-regulated life insurance program to pay Final Expenses for just pennies a day. ... Return this card today and you will receive the latest information ..."
- "To receive complete NO-COST information on this newly-approved plan ..., return this postage-paid card TODAY."
- "TO SEE IF YOU QUALIFY, MAIL THIS POSTAGE PAID CARD TODAY TO RECEIVE THIS VITAL INFORMATION."

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

- *"IMPORTANT—<<STATE>> CITIZENS MAY ALSO RECEIVE A FREE MEMORIAL GUIDE BY RETURNING THIS POSTAGE-PAID CARD."*
- "□ **YES!** Please see that I receive the information on the NEW state regulated life insurance program …, including the **NO-COST MEMORIAL GUIDE.**"

5. In addition, the outside of the mailing stated, "Information Concerning **NEW << YEAR>> BENEFIT UPDATE FOR <<STATE>> CITIZENS.**"

6. The mailing asked those who received it to fill out and return a card containing personal data, including their age and the name and age of their spouse.

7. Despite the mailing's clear message that its purpose was to provide free information to consumers, the real purpose was to persuade consumers to respond with personal data for use in creating leads for insurance agents.

8. That real purpose was nowhere stated or implied in the mailing.

9. Over 980 Vermonters responded to the mailing, revealing their personal data to Main Street Power Mail.

10. The Vermont Attorney General alleges that the failure to disclose the material fact that responses to commercial communications will be followed up by a salesperson's contact is an unfair trade practice under the Vermont Consumer Protection Act, 9 V.S.A. § 2453(a), based on longstanding precedent to that effect from the Federal Trade Commission.

11. Main Street Power Mail denies that it violated any Vermont or federal law or unfair trade practice standard.

12. The Vermont Attorney General is willing to accept this Assurance of Discontinuance under 9 V.S.A. § 2459.

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

INJUNCTIVE RELIEF

13. Main Street Power Mail shall comply strictly with all provisions of Vermont and federal law, including the Vermont Consumer Protection Act, 9 V.S.A. §§ 2451 *et seq.*

14. Among other things, Main Street Power Mail shall not contact any Vermont consumer, by mail or other means, for the purpose, in whole or in part, of generating business leads without clearly and conspicuously disclosing the fact that if the consumer responds to the contact, he or she may be solicited to purchase a described product or service (for example, "An agent may contact you to sell insurance products.").

PAYMENT TO THE STATE

15. Main Street Power Mail shall pay to the State of Vermont the sum of $90,000.00 (ninety thousand dollars). In light of the fact that in July 2014, the building in Sheridan, Indiana, where Main Street Power Mail conducted its business burned to the ground, resulting in a total of loss of the company's physical assets and completely disrupting its operations, the following terms shall apply to this payment:

a. No later than January 30, 2015, Main Street Power Mail and Kyle Malott, the company's owner and principal officer, whose residential address is 577 Viking Lair Road, Westfield, Indiana 46074 (hereinafter "Kyle Malott"), shall make a first payment of thirty thousand dollars ($30,000.00) to the State of Vermont.

b. Main Street Power Mail and Kyle Malott shall pay the remaining sixty thousand dollars ($60,000.00) due under this paragraph 15 in six (6) equal payments of ten thousand dollars ($10,000.00) each, plus compound interest in the amount of six (6) percent per annum, due the first day of each month starting on March 1, 2015, and ending on August 1, 2015.

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

c. The liability of Main Street Power Mail and Kyle Malott under subparagraphs (a) and (b) of this paragraph 15 shall be joint and several.

d. No later than January 30, 2015, Mr. Malott shall provide to the State of Vermont a signed and notarized personal promissory note for the sixty thousand dollars ($60,000.00) due under subparagraph (b) of this paragraph 15, in a form acceptable to the State, guaranteeing payment of the six (6) equal payments of ten thousand dollars ($10,000.00) each plus compound interest in the amount of six (6) percent per annum due the first day of each month starting on March 1, 2015, and ending on August 1, 2015, under subparagraph (b) of this paragraph 15.

e. All payments and documents to be provided to the State of Vermont under this paragraph 15 shall be mailed securely in care of the Vermont Attorney General's Office, 109 State Street, Montpelier, Vermont 05609.

OTHER PROVISIONS

15. This Assurance of Discontinuance represents a full and final settlement of any and all claims against Main Street Power Mail, including any claims of derivative liability against its owners, principals, employees, or agents, including but not limited to Kyle Malott, by the State of Vermont and any of its subdivisions or agencies that relate to the subject matter of this Assurance of Discontinuance, provided that such claims of derivative liability shall not be considered settled as applied to the payment obligation set out in paragraph 14, above, until such time as said payment is made in full, at which time they shall be considered fully and finally settled.

16. This Assurance of Discontinuance may be executed in counterparts, and a facsimile or .pdf signature shall have the same force and effect as an original signature.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

17. The Washington Superior Court shall retain jurisdiction for purposes of enforcing this Assurance of Discontinuance.

Dated 1/21/15

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____
Elliot Burg
Special Assistant Attorney General

Dated _____

MAIN STREET POWER MAIL, INC.

By: _____
Its Authorized Agent

APPROVED AS TO FORM:

_____
Elliot Burg
Special Assistant Attorney General
Vermont Attorney General's Office
109 State Street
Montpelier, Vermont 05609
For the State of Vermont

_____
Kimberly B. Cheney, Esq.
125 Mountain Road
Stowe, Vermont 05672
For Main Street Power Mail, Inc.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

17. The Washington Superior Court shall retain jurisdiction for purposes of enforcing this Assurance of Discontinuance.

Dated 1/21/15

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____
Elliot Burg
Special Assistant Attorney General

Dated 1/21/15

MAIN STREET POWER MAIL, INC.

By: _____ President
Its Authorized Agent

APPROVED AS TO FORM:

_____
Elliot Burg
Special Assistant Attorney General
Vermont Attorney General's Office
109 State Street
Montpelier, Vermont 05609
For the State of Vermont

_____
Kimberly B. Cheney, Esq.
125 Mountain Road
Stowe, Vermont 05672
For Main Street Power Mail, Inc.

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

Exhibit 1

NEW <<YEAR>> BENEFIT UPDATE

FOR <<STATE>> CITIZENS ONLY

This is a personal announcement to all << State >> citizens age << age >>.

You may now apply for a NEW state-regulated life insurance program to pay Final Expenses for just pennies a day, REGARDLESS OF YOUR MEDICAL CONDITION, EVEN IF YOU'VE BEEN TURNED DOWN BEFORE.

Return this card today and you will receive the latest information on how this Special Program will pay **100%** of all funeral expenses not paid by government funds, up to << dollar amount >> **(TAX FREE)**, for each << State >> citizen covered.

It is VERY IMPORTANT THAT YOU KNOW all the benefits available to you. To receive complete NO-COST information on this newly-approved plan **DESIGNED FOR ALL << STATE >> CITIZENS,** return this postage-paid card TODAY.

TO SEE IF YOU QUALIFY, MAIL THIS POSTAGE PAID CARD TODAY TO RECEIVE THIS VITAL INFORMATION...REQUESTS WILL BE PROCESSED IN THE ORDER RECEIVED.

IMPORTANT - << STATE >> CITIZENS MAY ALSO RECEIVE A FREE MEMORIAL GUIDE BY RETURNING THIS POSTAGE-PAID CARD.

All << State >> citizens may apply for this NEW program regardless of their medical condition.

Not affiliated with or endorsed by any government agency.

(tear here)

☐ **YES!** Please see that I receive the information on the NEW state regulated life insurance program designed for ALL << State >> Citizens << age >>, including the **NO-COST MEMORIAL GUIDE.**

Name: _____

Phone: (____)_____

Spouse's Name:_____

Age:

Husband:_____Wife:_____

(Note!) Area code & phone number to insure proper information routing.

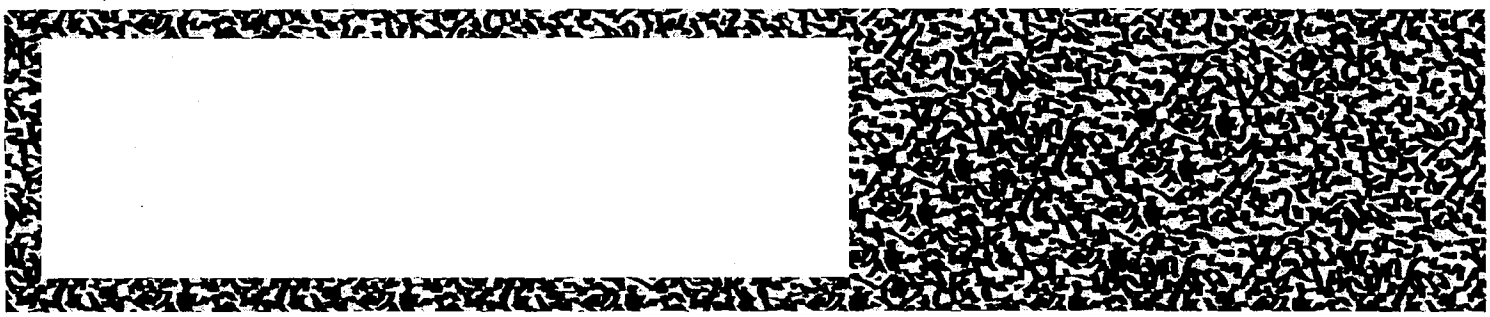
Signature:_____

F202

To Open This Side - Slide Finger Under This Edge

Information Concerning: **NEW <<YEAR>> BENEFIT UPDATE FOR << STATE >> CITIZENS**

MAILED FROM ZIP CODE 46069 PRESORT STANDARD U.S. POSTAGE PAID MSS



IMPORTANT DOCUMENT ENCLOSED

NEW SUPPLEMENTAL INSURANCE BENEFITS FOR << STATE >> CITIZENS

OPEN IMMEDIATELY - DO NOT DELAY

Don't Delay: Request will be processed in the order received.
Please Return Today!

IMPORTANT - FOR << STATE >> CITIZENS <<YEAR>> BENEFIT UPDATE

2015 DEC 16 A 10:47

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

IN RE)	CIVIL DIVISION
AMPHASTAR PHARMACEUTICALS, INC.)	Docket No. 800-12-15 Wncv

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Amphastar Pharmaceuticals, Inc.("Amphastar") hereby agree to this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. § 2459.

REGULATORY FRAMEWORK

1. Vermont's Consumer Protection Act prohibits "[u]nfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce." 9 V.S.A. § 2453

BACKGROUND

2. Amphastar is a Delaware corporation with its principal offices and place of business located at 11570 6th Street, Rancho Cucamonga, California 91730. It is a specialty pharmaceuticals company that is engaged in the development, manufacture and marketing of proprietary and generic injectable and inhalation products, including the generic drug Naloxone.

3. Naloxone is an opioid antagonist. With proper, timely administration, it negates or neutralizes the effects of an overdose of heroin or another opioid. Naloxone is used in Vermont to reduce the rates of death due to overdose.

4. Vermont and other states are confronting a profound public health challenge, as the number of heroin and opioid-related deaths continues to increase.

5. The State of Vermont, local governments in Vermont, and associated public entities, including but not limited to the Vermont Department of Health and the governments of individual Vermont municipalities, counties and communities, likewise established programs to respond to the heroin and opioid epidemic by distributing, purchasing, or funding the purchase of Naloxone.

6. Amphastar raised prices for its current Naloxone products in or about the fall of 2014.

7. The Governor of Vermont transmitted a letter to Amphastar dated April 8, 2015 in which he expressed concern that the increase in the price of Naloxone could adversely affect access to the drug in Vermont.

8. While the Attorney General alleges that the increase in Naloxone prices constitutes an unfair and deceptive act and practice under 9 V.S.A. § 2453, Amphastar maintains that its pricing of Naloxone is based upon legitimate and lawful business factors.

9. In a mutual good faith effort to amicably resolve VTAG's stated pricing concerns, the parties have engaged in discussions regarding Amphastar's Naloxone pricing. Amphastar and VTAG each believe that the obligations imposed by this agreement are beneficial to the public and will improve access to Naloxone, and will potentially save lives.

TERMS OF AGREEMENT

10. Payment Amount

a. Amphastar shall make a payment ("Payment") in the amount of $6.00 (the "Payment Amount") for each Amphastar Naloxone Syringe (a "Syringe") purchased by a Public Entity in Vermont, or where the purchase price is

reimbursed by a Public Entity in Vermont. For purposes of this Agreement, a "Public Entity" is any non-federal governmental entity located in Vermont, including but not limited to state agencies, county or other local governments and their agencies, or law enforcement agencies. In the event that a Public Entity distributes or resells Syringes to other Public Entities, the Vermont Agency of Administration ("AOA"), on behalf of the State of Vermont, will only permit the last purchaser to receive reimbursement for a Syringe.

b. Amphastar shall pay the Payment Amount associated with a given Syringe regardless of whether the Syringe was purchased directly from Amphastar or from a third party (including wholesale distributors). In no event shall the Payment Amount be reduced.

11. Payment Increase. Notwithstanding paragraph 10, in the event Amphastar increases its wholesale acquisition cost ("WAC") of a Naloxone Syringe ("WAC Increase"), Amphastar shall increase the Payment Amount by the actual dollar amount of the WAC Increase to offset any increase in the Syringe price. However, in no event shall the Payment Amount be reduced. During the Term (as defined in paragraph 15 below), Amphastar shall notify AOA within 30 days following any wholesale price increase of Naloxone to Public Entity Purchasers.

12. Payment Procedures. When seeking Payments under this Agreement, AOA shall request from the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP")(the group purchasing organization for state governments which negotiates the purchase price paid to Amphastar for Naloxone by state governments, including Vermont) and submit to Amphastar, the Vermont Naloxone Detailed Report of the number of Naloxone Syringes

purchased or reimbursed by a Public Entity during a given quarter, i.e., a three (3) month time period, within sixty (60) days of the conclusion of the quarter. Within sixty (60) business days of receipt of the Vermont Naloxone Detailed Report, Amphastar shall pay the total accrued Payment Amounts reflected in the Consolidated Request to AOA. AOA shall thereafter disburse the Payments to the Vermont Agencies as required, in a timely manner.

13. Term and Termination. This Agreement shall apply to Syringes purchased within one (1) year following the Effective Date of this Agreement (the "Term"). Following the payment of all Payment Amounts accrued during the Term and submitted for reimbursement pursuant to paragraph 3, this Agreement shall terminate ("Termination"), except for paragraphs 15 through 21, which shall survive Termination.

14. Liability Exclusion. Except as otherwise may be stated herein, Amphastar's liability under this Agreement is limited to payment of the Payment Amount for Syringes purchased during the Term, and Amphastar otherwise shall assume no further liability pursuant to this Agreement, including liability for damages of any type (including direct, indirect, and consequential damages). Except as provided in paragraph 16 below, however, nothing in this Agreement shall be construed to alter or limit Amphastar's existing legal obligations or liabilities, including but not limited to those arising from the manufacture or marketing of Naloxone.

OTHER TERMS

15. The Attorney General finds the financial relief and other obligations set forth in this agreement to be in the public interest, accepts the terms of this Agreement, pursuant to 9 V.S.A. § 2459, in lieu of the commencement of any legal proceeding, and agrees not to take legal action against Amphastar or any of its Affiliates, predecessors, successors, parents,

subsidiaries, assigns, agents, administrators, attorneys, directors, shareholders, officers, employees, or representatives in connection with its 2014 pricing of Naloxone.

16. Nothing in this Agreement shall be construed as an admission or concession by Amphastar of any liability in connection with Naloxone, including with respect to Amphastar's pricing, sales, manufacture, and marketing thereof.

17. Amphastar expressly disclaims any endorsement or promotion of off-label use by VTAG and/or any Vermont Agency of any of Amphastar's products, including Amphastar's Naloxone.

18. Unless otherwise provided herein, this Agreement may not be changed, waived, discharged, or terminated orally, but instead only by a written document that is signed by the duly authorized officers of both Parties.

19. Whenever possible, each provision of the Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any term or provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of the Agreement and this Agreement shall be interpreted and construed as if such provision had never been contained herein.

20. This Agreement shall be governed by and interpreted under the laws the State of Vermont without regard to its conflict or choice of law provisions. Amphastar agrees not to raise or interpose in any way their state of incorporation as a defense on grounds of personal jurisdiction as to any cause of action, claim, or argument arising from the enforcement of this Agreement by the Attorney General or any Vermont Agency.

21. The Parties agree that any Vermont Agency purchasing Naloxone during the Term constitutes an intended third-party beneficiary of this Agreement.

22. This Agreement constitutes the entire agreement by and between the Parties as to the subject matter hereof.

23. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed and delivered electronically or by facsimile and upon such delivery such electronic or facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other Party.

24. The Superior Court of the State of Vermont, Washington Unit, shall retain jurisdiction over this AOD and the parties for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or punish violations of this AOD.

25. By signing below, Amphastar voluntarily agrees with, and submits to, the terms of this AOD.

DATED at Rancho Cucamonga, California, this 14th day of December, 2015.

By: _____

Jason Shandell

Title: President

Amphastar Pharmaceuticals, Inc.

ACCEPTED on behalf of the Attorney General

DATED at Montpelier, Vermont this 16th day of December, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____

Jill S. Abrams
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609
Jill.Abrams@vermont.gov
(802) 828-11106

RELEASE AND ASSIGNMENT Claim 674017208.0

In consideration of the payment of $20,000.00, by Liberty Mutual Insurance Company, the State of Vermont does hereby release and forever discharge Liberty Mutual Insurance Company from any and all liability, claims, demands, cause or causes of action under its Bond No. 674017208 issued on behalf of PDR II.

In further consideration of the aforesaid payment, the undersigned hereby assigns, transfers, and sets over to Liberty Mutual Insurance Company its Claim No. 674017208 (the "Claim"), and constitutes Liberty Mutual Insurance Company its true, lawful, and irrevocable attorney to demand receipt for and enforce payment of the Claim, at its own expense to sue for the said sum so assigned in its own name.

Date: 4/2/2015

STATE OF VERMONT

Chut n. Clark

This document must be executed before a Notary Public and include the attached Notary Acknowledgement

STATE OF)
) ss:
COUNTY OF)

On April 2nd (Date), 2015 before me, Rebecca Ranya Notary Public (Name, Title of Officer – e.g. Jane Doe Notary Public)

personally appeared Charity Clark (Name(s) of Signer(s))

to me known, who, being by me duly sworn did depose and say that they reside in So. Burlington (City)

Vermont (State).

Rebecca Ranya

Signature of Notary Public Exp: 2.10.19

Enclosure: Statutory Fraud Language by State

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2015 MAR -9 A 2:39

IN RE: Premier Dental Products Company	)	CIVIL DIVISION
	)	Docket No. 153-3-15 Wncv
	)	

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Premier Dental Products Company ("Respondent") hereby agree to this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459.

BACKGROUND

1. The Prescribed Products Disclosure Law, 18 V.S.A. § 4632, requires prescribed product manufacturers to file periodic reports with the Attorney General's Office detailing certain information about the allowable expenditures and permitted gifts the manufacturer gives to Vermont health care providers and other recipients covered under the law.

2. Respondent is a prescribed product manufacturer incorporated under the laws of Pennsylvania, with its principal place of business located at 1710 Romano Drive, Plymouth Meeting, PA 19462.

3. Respondent gave allowable expenditures and/or permitted gifts to Vermont health care providers and/or other recipients covered under the Prescribed Products Disclosure Law, 18 V.S.A. § 4632, during fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011), calendar year 2012 (January 1, 2012 through December 31, 2012), and calendar year 2013 (January 1, 2013 through December 31, 2013).

4. Respondent failed to file annual reports with the Attorney General's Office for fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

December 31, 2011), calendar year 2012 (January 1, 2012 through December 31, 2012), and calendar year 2013 (January 1, 2013 through December 31, 2013).

5. The above conduct constitutes violations of the Prescribed Products Disclosure Law, 18 V.S.A. § 4632.

INJUNCTIVE RELIEF

6. Respondent shall comply with the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632.

7. No later than thirty (30) days after the filing of this Assurance of Discontinuance, Respondent shall make payment to the "State of Vermont" in the amount of $35,000.00, and send to: Kate Whelley McCabe, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, VT 05609.

OTHER TERMS

8. Respondent agrees that this Assurance of Discontinuance shall be binding on Respondent and its successors and assigns.

9. The Attorney General hereby releases and discharges any and all claims arising under the Prescribed Product Disclosure Law, 18 V.S.A. § 4632, that it may have against Respondent for the conduct described in the Background section for fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011), calendar year 2012 (January 1, 2012 through December 31, 2012), and calendar year 2013 (January 1, 2013 through December 31, 2013).

10. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this Assurance and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or

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109 State Street
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05609

appropriate to enforce compliance with or to punish violations of this Assurance of Discontinuance.

STIPULATED PENALTIES

11. If the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondent to be in violation of this Assurance of Discontinuance by having violated the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632, then the parties agree that penalties to be assessed by the Court for each act in violation of this Assurance of Discontinuance shall be $10,000.00. For purposes of this Section, the term "each act" shall mean each violation of the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632 that occurs after the date this Assurance of Discontinuance is executed. This Section 11 shall expire no later than ten years from the effective date of this Assurance of Discontinuance with no further action necessary by the parties. If after the expiration of this Section 11, the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondent to be in violation of this Assurance of Discontinuance by having violated the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632, any such violation shall be governed by the terms of the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. § 4632(c).

NOTICE

12. Respondent may be located at:

Premier Dental Products Company
Attn: Cara Braslow
1710 Romano Drive
Plymouth Meeting, PA 19462

13. Respondent shall notify the Attorney General of any change of business name or address within 20 business days.

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

SIGNATURE

In lieu of instituting an action or proceeding against Respondent, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

Plymouth Notes, Inc.

DATED at Mesa, AZ, this 4 day of March, 2015.

ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this 9 day of March, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By:

Kate Whelley McCabe
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
kate.whelleymccabe@state.vt.us.
802.828.5621

cc: Seth H. Lundy, King & Spalding LLP
Brian A. Bohnenkamp, King & Spalding LLP

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2015 OCT 23 A 10:17

IN RE: RuffaloCODY, LLC	)	CIVIL DIVISION
	)	Docket No. 1016-10-15 Wncv
	)	

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and RuffaloCODY, LLC ("Respondent"), hereby agree to this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. §§ 2459 and 2479(b).

REGULATORY FRAMEWORK

1. Vermont's Consumer Protection Act prohibits "[u]nfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce." 9 V.S.A. § 2453.

2. Vermont's Charitable Solicitations law requires paid fundraisers that have "solicited contributions in this state" to file a financial report "[n]o later than 90 days after a fundraising campaign has been completed." 9 V.S.A. § 2477(a). Likewise, for "a fundraising campaign lasting more than one year" paid fundraisers must file a report "no later than 90 days after the anniversary of the commencement of [the campaign]." *Id.*

3. The requirements for the financial report are detailed in 9 V.S.A. § 2477(b) and Consumer Protection Rule CP 119.06.

4. Under 9 V.S.A. § 2479(a), a violation of the Charitable Solicitations Law is deemed to be a violation of 9 V.S.A. § 2453 of the Vermont Consumer Protection Act.

5. The Attorney General is authorized to pursue enforcement and seek relief under 9 V.S.A. § 2458 for violations of the Consumer Protection Act, including injunctive relief,

civil penalties of up to $10,000 for each violation of the Act, and reimbursement for the reasonable value of its services and its expenses in investigating and prosecuting an action.

DEFINITIONS

6. For the purposes of this AOD, the terms "charitable organization," "contribution," "fundraising campaign," "paid fundraiser," and "solicitation" are defined in the same manner as they are defined in 9 V.S.A. § 2471.

BACKGROUND

7. Respondent RuffaloCODY, LLC is a for-profit corporation incorporated under the laws of Delaware, with its principal place of business located at 1025 Kirkwood Parkway, SW, Cedar Rapids, Iowa 52404. Respondent conducts business throughout the State of Vermont as a paid fundraiser for various charitable organizations.

8. At all times relevant to this matter, Respondent has retained an authorized agent to provide services and assistance with regard to the filing requirements under the Act.

9. From at least 2008 to the present, Respondent has solicited contributions by telephone from Vermont residents on behalf of various charitable organizations.

10. Between 2008 and March 2015, Respondent has conducted between sixteen and twenty-two fundraising campaigns in Vermont each year.

11. One of Respondent's fundraising campaigns was conducted in Vermont from November 10, 2012 to April 27, 2014 for the University of Connecticut Foundation, Inc. (the "Campaign"), Campaign Identification Number 11865.

12. Pursuant to 9 V.S.A. § 2477(a), Respondent's first annual financial report for the Campaign (the "First Annual Financial Report") was due by February 8, 2014, 90 days after the anniversary of the Campaign's commencement.

13. Pursuant to 9 V.S.A. § 2477(a), Respondent's final financial report for the Campaign (the "Final Financial Report") was due by July 26, 2014, 90 days after the Campaign was completed.

14. On March 23, 2015, the Attorney General's Office informed Respondent, through its authorized agent, that the Final Financial Report for the Campaign was delinquent.

15. On March 24, 2015, Respondent's authorized agent informed the Attorney General's Office that a First Annual Financial Report for the campaign was outstanding.

16. As of May 7, 2015, Respondent had failed to submit both the First Annual Financial Report and the Final Financial Report (collectively the "Delinquent Financial Reports"). As of that date, the First Annual Financial Report was more than one year overdue and the Final Financial Report was more than eight months overdue.

17. As of May 12, 2015, Respondent has filed both the First Annual Financial Report and the Final Financial Report for the Campaign.

18. Respondent admits the truth of all facts set forth in the Background section.

19. The Attorney General alleges that some of the above conduct demonstrates violations of 9 V.S.A. §§ 2477(a), and further alleges that any such violation would constitute unfair and deceptive acts and practices under 9 V.S.A. § 2453.

AGREEMENT

Future Compliance

20. It is hereby AGREED that Respondent RuffaloCODY, LLC:

a. Shall comply with all provisions of the Vermont Consumer Protection Act, including but not limited to provisions in 9 V.S.A. chapter 63, subchapters 1

and 2, Consumer Protection Rule 119, and all other applicable Vermont laws;

b. Shall file the Delinquent Financial Reports within ten (10) days of the effective date of this AOD; and

c. Shall file all future financial reports required under 9 V.S.A. § 2477(a) by the date they are due pursuant to that statute. In the event that circumstances beyond Respondent's control prevent the timely filing of a fully executed financial report, Respondent shall file the partially executed report along with an affidavit specifying the circumstances of the partially executed report. The submission of the affidavit and partially executed report will address the timeliness of the filing of the financial report but does not release Respondent from the responsibility of filing the financial report once fully executed.

21. It is hereby AGREED that the parties have compromised and settled all potential claims regarding alleged violations of 9 V.S.A. §§ 2477(a) described in the Background section of this AOD, up to March 30, 2015.

Monetary Relief

22. As part of this negotiated settlement, it is AGREED that Respondent RuffaloCODY, LLC shall pay six thousand dollars ($6,000) in two installments, as described below.

23. Of the amount described in paragraph 22,

a. Within ten (10) days of both parties signing this AOD, Respondent shall pay five thousand dollars ($5,000) as a civil penalty to the State of

Vermont. Payment shall be made either by wire transfer or in the form of a bank or cashier's check made out to the State of Vermont and delivered to Assistant Attorney General Charity R. Clark, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

b. Within forty (40) days of both parties signing this AOD, Respondent shall pay the remaining one-thousand dollars ($1,000) to the State of Vermont for the State's fees and costs of investigation in connection with this matter. Payment shall be made either by wire transfer or in the form of a bank or cashier's check made out to the State of Vermont and delivered to Assistant Attorney General Charity R. Clark, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

OTHER TERMS

24. Respondent RuffaloCODY, LLC agrees that the terms of this AOD shall be binding on it, and its successors and assigns.

25. The Attorney General hereby releases and discharges its claims arising under 9 V.S.A. § 2477(a) that it may have against Respondent for the conduct described in the Background section up to March 30, 2015.

26. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this AOD and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this AOD.

STIPULATED PENALTIES

27. If the Superior Court of the State of Vermont, Washington Unit, enters an order finding Respondent RuffaloCODY, LLC to be in violation of this AOD, then the parties agree that penalties to be assessed by the Court are as follows:

a. For failure to submit the Delinquent Financial Reports by the date referenced in paragraph 20(b), the penalty shall be $1000 per day that any one of the Delinquent Financial Reports is late, up to a maximum of $10,000 per report; and

b. For failure to file a financial report or an affidavit referenced in paragraph 20(c) of this AOD within ten (10) days of receipt of a notice of delinquency from the Attorney General, the penalty shall be $1000 per business day that any such financial report is late, up to a maximum of $10,000 per report.

SIGNATURE

In lieu of instituting an action or proceeding against Respondent RuffaloCODY, LLC, the Office of the Attorney General, pursuant to 9 V.S.A. §§ 2459 and 2479, accepts this AOD. By signing below, Respondent RuffaloCODY, LLC voluntarily agrees with and submits to the terms of this AOD.

DATED at Cedar Rapids, IA, this 8th day of October, 2015.

RuffaloCODY, LLC

By: _____
Its Authorized Agent

By:
Rick Gross, Chief Financial Officer
Name and Title of Authorized Agent

Approved Legal 9.30.15 KR

ACCEPTED on behalf of the Vermont Attorney General:

DATED at Burlington, Vermont, this 19th day of October, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____

Charity R. Clark
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
charity.clark@state.vt.us
(802) 656-8430

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2015 MAY 12 A 8:17

IN RE: THIRD-PARTY CHARGES ON MOBILE TELEPHONE BILLS	)	CIVIL DIVISION Docket No. 302-5-15 Wncv

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Sprint Corporation hereby agree to this Assurance of Discontinuance ("Assurance") pursuant to 9 V.S.A. § 2459.

I. BACKGROUND

1. The Attorneys General are responsible for enforcing their respective unfair and deceptive acts and practices laws and other consumer protection laws in their respective states and commonwealths.

2. Sprint is a Kansas corporation located at 6200 Sprint Parkway, Overland Park, Kansas, 66251. Sprint is a leading provider of mobile telephone services.

3. The Attorneys General allege that the practice of placing charges on Consumers' Mobile Telephone Bills that have not been authorized by Consumers, known as "cramming," is a major national problem.

4. The Attorneys General allege that Consumers who have been "crammed" often complain about charges, typically $9.99 per month, for "premium" text message subscription services such as horoscopes, trivia, and sports scores that they have never heard of or requested.

5. The Attorneys General allege that cramming occurs when carriers place charges on Consumers' Mobile Telephone Bills or deduct them from Consumers' Prepaid Accounts for Third-Party Products without Consumers' knowledge and/or authorization.

6. The Attorneys General allege that many Consumers are unaware that their mobile telephones can be used to make payments for Third-Party Products, and that Consumers often pay Unauthorized Third-Party Charges without the knowledge that the charges have been placed on their Mobile Telephone Bills or deducted from their Prepaid Accounts.

7. Sprint believes that it has fully and voluntarily cooperated with the Attorneys General in their inquiries regarding the placement of Unauthorized Third-Party Charges on Mobile Telephone Bills and Prepaid Accounts, has created and imposed industry-leading disclosure standards for the protection of Consumers, and has worked to aggressively monitor compliance by Third Parties. Although Sprint denies any liability based upon the allegations above, in order to resolve this dispute, Sprint has agreed to the terms of this Assurance.

II. DEFINITIONS

8. The following definitions shall apply for purposes of this Assurance:

   a. "Account Holder" means any individual or entity responsible for paying all charges associated with all lines on that individual's or entity's mobile phone account with Sprint.

   b. "Attorneys General"[1] means the Attorneys General, or their designees, of the Participating States.

   c. "Block" means a restriction placed on a Consumer's account that prevents one or more lines from being used to purchase Third-Party Products and from being charged for Third-Party Charges on a Consumer's Mobile Telephone Bill or Prepaid Account.

   d. A statement is "Clear and Conspicuous" if it is disclosed in such size, color, contrast, location, duration, and/or audibility that it is readily noticeable, readable, understandable, and/or capable of being heard. A statement may not contradict or be inconsistent with any other information with which it is presented. If a statement modifies, explains or clarifies other information with which it is presented, then the statement must be presented in proximity to the information it modifies, explains or clarifies, in a manner that is readily noticeable, readable, and understandable, and not obscured in any manner. In addition:

      i. an audio disclosure must be delivered in a volume and cadence sufficient for a Consumer to hear and comprehend it;

[1] The Georgia Administrator of the Fair Business Practices Act, appointed pursuant to O.C.G.A. 10-1-395, is statutorily authorized to enforce Georgia's Fair Business Practices Act of 1975 ("FBPA"). The Utah Division of Consumer Protection is statutorily authorized to enforce all statutes listed in Utah Code 13-2-6, including the Utah Consumer Sales Practices Act, Utah Code 13-11-1, *et seq*. Hawaii is represented by its Office of Consumer Protection, an agency that is not part of the state Attorney General's Office, but which is statutorily authorized to undertake consumer protection functions, including legal representation of the State of Hawaii.

ii. a television or internet disclosure must be of a type size, location, and shade and remain on the screen for a duration sufficient for a Consumer to read and comprehend it;

iii. a disclosure in a print advertisement or promotional material, including, but without limitation, a point of sale display or brochure materials directed to Consumers, must appear in a type size, contrast, and location sufficient for a Consumer to read and comprehend it; and

iv. a text message disclosure must be of a type size and format so that consumers can notice and read it on their mobile device.

e. "Commercial PSMS" means the use of PSMS to charge for Third-Party Products.

f. "Consumer" means a current or former Sprint Account Holder or other authorized subscriber for which Third-Party Charges are or were placed on the Consumer's Mobile Telephone Bill or Prepaid Account, whether that person is the individual responsible for paying the Mobile Telephone Bill or Prepaid Account, or has a device that is billed to a shared account, or is otherwise authorized to incur charges on the account, and is a resident of one of the Participating States. "Consumer" does not include any business entity or any state, federal, local, or other governmental entity, if (1) the business entity or government, and not the employees or individuals working for or with that business entity or government, is solely liable to Sprint for payment of all charges to that account, and (2) the ability to process Third-Party Charges through that account is not available unless the business entity or government affirmatively requests that certain or all mobile devices be provided the ability to authorize placement of such Third-Party Charges.

g. "Effective Date" means the date that the Stipulated Order for Permanent Injunction and Monetary Judgment in the case captioned *Consumer Financial Protection Bureau v. Sprint Corporation*, Civil Action No. 14-cv-09931 ("CFPB Stipulated Order") is entered by the United States District Court for the Southern District of New York. Provided, however, this agreement is binding upon execution.

h. "Express Informed Consent" means an affirmative act or statement giving unambiguous assent to be charged for the purchase of a Third-Party Product that is made by a Consumer after receiving a Clear and Conspicuous disclosure of material facts.

i. "Mobile Telephone Bill" means a Consumer's paper or electronic monthly statement of charges for Sprint postpaid wireless service.

j. "Participating States" means the following states and commonwealths: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut,

Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming, as well as the District of Columbia.

k. "Premium Short Messaging Service" or "PSMS" means a service that distributes paid content to a Consumer using the Short Message Service ("SMS") and Multimedia Messaging Service ("MMS") communication protocols via messages that are routed using a Short Code, resulting in a Third-Party Charge.

l. "Prepaid Account" means a Consumer's account for wireless service where funds first must be applied to the account, and usage results in deductions from those funds.

m. "Short Code" means a common code leased from the CTIA Common Short Code Administration that is comprised of a set of numbers, usually 4 to 6 digits, to and from which text messages can be sent and received using a mobile telephone.

n. "Sprint" means Sprint Corporation, including all of Sprint's affiliates, subsidiaries and assigns.

o. "Third Party" means an entity or entities, other than Sprint, that provides a Third-Party Product to Consumers for which charges are made through Sprint's Mobile Telephone Bills or deducted from Prepaid Accounts.

p. "Third-Party Charge" means a charge for the purchase of a Third-Party Product placed on a Consumer's Mobile Telephone Bill or deducted from a Prepaid Account.

q. "Third-Party Product" means content and/or services provided by a Third Party that can be used on a Consumer's mobile device for which charges are placed on the Consumer's Mobile Telephone Bill or deducted from a Prepaid Account by Sprint. "Third-Party Product" excludes contributions to charities, candidates for public office, political action committees, campaign committees, campaigns involving a ballot measure, or other similar contributions. "Third-Party Product" also excludes co-branded and white label products where content and services are sold jointly and cooperatively by Sprint and another entity, where the content and/or services are placed on the Consumer's Mobile Telephone Bill or deducted from a Consumer's Prepaid Account as Sprint charges, and Sprint is responsible for accepting complaints, processing refunds, and other communications with the

Consumer regarding the charge. "Third-Party Product" also excludes handset insurance, extended warranty offerings, and collect-calling services.

r. "Unauthorized Third-Party Charge" means a Third-Party Charge placed on a Consumer's Mobile Telephone Bill or deducted from a Prepaid Account without the Consumer's Express Informed Consent.

III. APPLICATION

9. The provisions of this Assurance shall apply to Sprint and its officers, employees, agents, successors, assignees, merged or acquired entities, wholly-owned subsidiaries, and all other persons or entities acting in concert or participation with Sprint's placement of Third-Party Charges in the Participating States.

IV. ASSURANCE TERMS

10. Commercial PSMS: Sprint shall not make available to Consumers the option to purchase Third-Party Products through Commercial PSMS or charge for Commercial PSMS.

11. Authorization of Third-Party Charges: Sprint shall immediately begin developing and implementing a system, which shall be fully implemented by Sprint no later than September 15, 2015, to obtain Express Informed Consent before a Consumer is charged for any Third-Party Charge or before funds are deducted from a Prepaid Account. The Consumer's Express Informed Consent may be provided to Sprint or to another person or entity obligated to Sprint to obtain such consent. Sprint or other person or entity shall retain sufficient information to allow such consent to be verified. If Express Informed Consent is not directly collected by Sprint, Sprint shall implement reasonable policies and practices[2] to confirm Express Informed Consent shall be appropriately collected and documented by the person or entity obligated to do so, and shall monitor and enforce those policies and practices to confirm Express Informed Consent is appropriately collected and documented, and where Express Informed Consent has not been appropriately collected and documented, shall require remedial action (which may include, for example, suspension, proactive credits, or retraining) or cease billing for such charges. While the system described by this Paragraph is being developed and implemented, Sprint shall take reasonable steps to obtain Express Informed Consent before a Consumer is charged for any Third-Party Charge. Such Express Informed Consent shall be kept for the period of at least five (5) years.

[2] For purposes of this Paragraph, for charges incurred through operating system storefronts, such reasonable policies and practices may, for example, consist of Sprint or its agents making a statistically valid random sample of purchases to demonstrate whether the storefront is collecting Express Informed Consent consistent with this Assurance.

12. Purchase Confirmation for Third-Party Charges: Beginning no later than September 15, 2015, Sprint shall implement a system whereby the Consumer (and, for multiline accounts, the Account Holder, if designated) will be sent a purchase confirmation, separate from the Mobile Telephone Bill or Prepaid Account, of every Third-Party Charge, including recurring charges, that will appear on his or her Mobile Telephone Bill or be deducted from his or her Prepaid Account. Any such purchase confirmation shall be sent within a reasonable period of time following the time a Third-Party Product is purchased or the recurrence of a Third-Party Charge, and shall identify Blocking options that Sprint makes available to Consumers and/or provide access to such information. For multiline accounts, Sprint may provide the Account Holder the option to elect not to receive such purchase confirmations.

13. Information on Blocking: Beginning no later than June 1, 2015, Sprint shall provide a Clear and Conspicuous disclosure about Third-Party Charges and Blocking options in informational material provided at or near the time of subscribing to service, and which is provided in a context separate from the actual subscriber agreement document. Such disclosure shall include a description of Third-Party Charges, how Third-Party Charges appear on Mobile Telephone Bills and Prepaid Accounts, and options available to Consumers to Block Third-Party Charges. Consumers, if they are current Sprint customers, shall not incur any data or text charges for receiving or accessing the information when Sprint electronically delivers the disclosure discussed in this subparagraph as the primary means of providing this information to the Consumer; however, if Sprint primarily provides this information through non-electronic means, but the Consumer chooses to also or alternatively access or receive this information via data (e.g., a web browser, or by email), then standard data rates may apply.

14. Billing Information and Format: No later than the Effective Date:

    a. All Third-Party Charges shall be presented in a dedicated section of the Consumer's Mobile Telephone Bill (or in a dedicated section for each mobile line on the account, if the Mobile Telephone Bill sets forth charges by each line) and shall be set forth in such a manner as to distinguish the Third-Party Charges contained therein from Sprint's service, usage and other charges. This section of the Consumer's Mobile Telephone Bill shall contain a heading that Clearly and Conspicuously identifies that the charges are for Third-Party Products; and

    b. the Third-Party Charge billing section required by this Paragraph shall include a Clear and Conspicuous disclosure of a Consumer's ability to Block Third-Party Charges, including contact and/or access information that Consumers may use to initiate such Blocking. If Sprint includes a Third-Party Charge billing section for each mobile line on the account, Sprint shall have the option to include the disclosure of a Consumer's ability to Block Third-Party Charges in only the first Third-Party Charge billing section that appears

on the Mobile Telephone Bill, rather than in all Third-Party Charge billing sections.

15. Consumer Contacts: When a Consumer contacts Sprint with regard to a Third-Party Charge or a Block, Sprint shall:

a. provide the Consumer with access to a customer service representative who shall have access to the Consumer's account information for at least the prior twelve (12) months;

b. beginning no later than thirty (30) days after the Effective Date, for any Consumer who claims that he or she did not authorize a Third-Party Charge incurred after the Effective Date, either (1) provide the Consumer a full refund or credit of any and all disputed Third-Party Charges not previously credited or refunded to the Consumer, or (2) deny a refund if:

i. Sprint has information demonstrating that the Consumer provided Express Informed Consent to the Third-Party Charge, offers to provide such information to the Consumer, and, upon request, provides such information to the Consumer; or

ii. the last disputed Third-Party Charge for the particular Third-Party Product at issue (either a single charge or a recurring charge) was incurred more than three (3) months prior to when the Consumer contacted Sprint, and Sprint is in compliance with Paragraph 12 with respect to the charge;

c. if the Consumer claims that he or she did not authorize a Third-Party Charge, and the Consumer is a current customer of Sprint, offer the Consumer the opportunity to Block future Third-Party Charges;

d. if the Consumer is not satisfied with the relief obtained under the process contained in subparagraph (b) of this Paragraph 15:

i. offer the Consumer the opportunity to receive a full refund if the Consumer submits his or her request in writing via U.S. Mail, email or web-based form affirming that he or she did not authorize such charge, and provide such refund, unless Sprint can demonstrate fraud or misrepresentation in connection with the claim.

ii. This subparagraph (d) shall expire four (4) years from the Effective Date.

e. beginning no later than the Effective Date, not require the Consumer to first contact the Third Party in order to receive a refund/credit of any claimed Unauthorized Third-Party Charge, although this subparagraph does not prohibit asking the Consumer if he or she has contacted the Third Party

and/or if the Consumer has already received a credit or refund from the Third Party for some or all of the claimed Unauthorized Third-Party Charge; and

f. in the event a Consumer disputes a Third-Party Charge as unauthorized, until such time as the provisions of subparagraph 15.b.i or ii are satisfied, not:

i. require the Consumer to pay the disputed Third-Party Charge, including any related late charge or penalty;

ii. send the disputed Third-Party Charge to collection;

iii. make any adverse credit report based on non-payment of the disputed Third-Party Charge; and/or

iv. suspend, cancel, or take any action that may adversely affect the Consumer's mobile telephone service or functionality for any reason related to non-payment of the disputed Third-Party Charge. The remedies in this subparagraph 15(f) are inapplicable to Consumer complaints involving dissatisfaction with purchases where the Consumer does not dispute that the Consumer authorized the purchase.

16. Training: Sprint shall, for at least six (6) years from the Effective Date, conduct a training program with its customer service representatives, at least annually, to administer the requirements of this Assurance. To the extent that Sprint no longer permits Third-Party Charges on Consumers' Mobile Telephone Bills or the deduction of Third-Party Charges on Consumers' Prepaid Accounts, Sprint shall conduct one training program within three (3) months of such cessation and shall have no further obligation to conduct training programs under this Paragraph so long as Sprint does not permit Third-Party Charges on Consumers' Mobile Telephone Bills or the deduction of Third-Party Charges on Consumers' Prepaid Accounts.

17. Cooperation with Attorney General: Sprint shall designate a contact to whom the Attorney General may provide information regarding any concerns about Unauthorized Third-Party Charges, and from whom the Attorney General may request information and assistance in investigations. Such information and assistance shall include information regarding the identity of Third Parties placing charges on Sprint's Mobile Telephone Bills or deducting Third-Party Charges from Consumers' Prepaid Accounts, revenue from such Third Party, refunds provided relating to the Third Party, any audits conducted of the Third Party (to the extent not protected by attorney-client privilege or attorney work product), and any applications or other information provided by the Third Party, to the extent that Sprint has access to such information. Sprint shall provide such information within a reasonable period and shall cooperate in good faith with such requests, including

investigating any reports of Unauthorized Third-Party Charges Sprint receives from the Attorney General.

18. Information Maintained by Sprint: Beginning no later than September 15, 2015, Sprint shall implement systems that allow it to maintain and report the refund/credit information created pursuant to subparagraphs 15(b) and (d). Sprint shall maintain such records for at least five (5) years from the date of their creation. Sprint's obligation to maintain records for five (5) years from the date of their creation shall continue after Sprint's obligation to provide the Quarterly Reports described in Paragraph 19 expires.

19. Information Sharing with Attorneys General:

a. As of September 15, 2015, Sprint shall, for at least four (4) years, provide a report to the Office of the Vermont Attorney General every three (3) months ("Quarterly Reports") documenting its compliance with the requirements of Paragraph 15. Without limiting Sprint's obligations under Paragraph 15, the quarterly reports shall include the following:

i. the total number of Consumer claims for Unauthorized Third-Party Charges for which Sprint has demonstrated that the purchaser provided Express Informed Consent or for which Sprint has demonstrated that the claim was untimely under subparagraph 15(b)(ii);

ii. all refunds/credits provided, in dollars, due to Sprint's inability to provide proof of Express Informed Consent in response to such a claim by Consumers;

iii. all other refunds/credits provided, in dollars;

iv. for the claims and refunds/credits identified under subparagraphs 19(a)(i), (ii), and (iii), above, the Third-Party Product, the Third Party, and the entity responsible for ensuring Express Informed Consent from the Consumer, if different than Sprint; and

v. a description of any remedial action taken by Sprint against Third Parties for Unauthorized Third-Party Charges, including, but not limited to, any actions taken to limit or terminate a Third Party's ability to place Third-Party Charges on a Consumer's Mobile Telephone Bill or deduct amounts from the Consumer's Prepaid Account. The description of any remedial action provided under this subparagraph shall include: (a) the name and contact information of such Third Party, (b) a description of the Third-Party Product in connection with which the remedial action was taken, (c) an indication of whether the Third-Party Product was suspended or terminated (and if suspended, Sprint shall include the date or

conditions for reinstatement), and (d) the reason for the remedial action.

b. Information in Quarterly Reports shall be presented on a national basis and provided electronically in a format to be agreed to by the parties. Quarterly Reports shall be provided within thirty (30) days of the end of each calendar quarter.

V. MONETARY PAYMENT

20. Sprint shall pay Twelve Million Dollars ($12,000,000.00) to the Participating States. For purposes of this Assurance, Sprint shall pay $711,024.91 to Vermont. Payment shall be made no later than thirty (30) days after the Effective Date. Said payment shall be used by the Vermont Attorney General for purposes that may include, but are not limited to, attorneys' fees and other costs of investigation and litigation, or be placed in, or applied to, any consumer protection law enforcement fund, including future consumer protection or privacy enforcement, consumer education, litigation or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the Vermont Attorney General.

21. Within one hundred and twenty (120) days of the conclusion of the Redress Period described by the Consumer Redress Plan referred to in Section III of the CFPB Stipulated Order resolving the concurrent CFPB investigation of Sprint regarding Unauthorized Third-Party Charges, Sprint shall provide the Attorneys General with a list containing the following information for each of the Participating States: (a) the number of claims submitted to the Consumer redress program by Consumers residing in the Participating State; (b) the number of claims submitted to the Consumer redress program by Consumers residing in the Participating State for which Sprint made redress; and (c) the total amount of redress given to Consumers residing in the Participating State pursuant to the Consumer redress program.

22. The Participating States and Sprint recognize that, in addition to the payment provided under Paragraph 20, Sprint has agreed to pay Six Million Dollars ($6,000,000.00) to the Federal Communications Commission ("FCC") to resolve the concurrent FCC investigation of Sprint regarding Unauthorized Third-Party Charges.

23. The Participating States and Sprint recognize that Sprint has agreed to the Consumer Redress Plan referred to in Section III of the CFPB Stipulated Order, which sets forth a process for providing Consumers with redress of up to Fifty Million Dollars ($50,000,000.00). This Assurance does not alter, amend, replace, or expand the Consumer Redress Plan referred to in Section III of the CFPB Stipulated Order. To the extent residual monies remain at the cessation of the Redress Period, the Participating States will collaborate with the FCC and CFPB in determining how to dispose of the funds, including whether additional restitution is practicable. To

the extent the CFPB transfers any residual amounts to the Participating States following the cessation of the Redress Period, the Participating States shall use such money in the manner and for the purposes identified in Paragraph 20 above.

24. Sprint shall make payments to the Participating States, CFPB, FCC, and Consumers in an aggregate amount of no more than Sixty-Eight Million Dollars ($68,000,000.00).

VI. RELEASE

25. Effective upon full payment of the amount due under Paragraph 20, the Attorney General releases and discharges Sprint and its officers, employees, agents, successors, assignees, affiliates, merged or acquired entities, parent or controlling entities, and subsidiaries from any and all claims, suits, demands, damages, restitution, penalties, fines, actions, and other causes of action that the Attorney General could have brought under 9 V.S.A. §§ 2453, 2458 both known and unknown, arising directly or indirectly out of or related to billing, charging, disclosures, policies, practices, actions or omissions related to PSMS or Unauthorized Third-Party Charges that were incurred prior to the Effective Date. In the case of affiliates, acquired entities, or subsidiaries, this release only covers conduct occurring during the time such entities are or were affiliates or subsidiaries of Sprint. Further, nothing contained in this Paragraph shall be construed to limit the ability of the Attorney General to enforce the obligations that Sprint and its officers, agents, servants and employees acting on its behalf, have under this Assurance.

26. Nothing in this Assurance shall be construed to create, waive, or limit any private right of action.

27. Notwithstanding any term of this Assurance, any and all of the following forms of liability are specifically reserved and excluded from the release in Paragraph 25 as to any entity or person, including Sprint:

    a. any criminal liability that any person or entity, including Sprint, has or may have to Vermont;

    b. any civil or administrative liability that any person or entity, including Sprint, has or may have to Vermont under any statute, regulation or rule not expressly covered by the release in Paragraph 25 above, including but not limited to, any and all of the following claims:

        i. state or federal antitrust violations;

        ii. state or federal securities violations; and

        iii. state or federal tax claims.

VII. GENERAL PROVISIONS

28. The parties understand and agree that this is a compromise settlement of disputed issues and that the consideration for this Assurance shall not be deemed or construed as: (a) an admission of the truth or falsity of any claims or allegations heretofore made or any potential claims; (b) an admission by Sprint that it has violated or breached any law, statute, regulation, term, provision, covenant or obligation of any agreement; or (c) an acknowledgement or admission by any of the parties of any duty, obligation, fault or liability whatsoever to any other party or to any third party. This Assurance does not constitute a finding of law or fact, or any evidence supporting any such finding, by any court or agency that Sprint has engaged in any act or practice declared unlawful by any laws, rules, or regulations of any state. Sprint denies any liability or violation of law and enters into this Assurance without any admission of liability. It is the intent of the parties that this Assurance shall not be used as evidence in any action or proceeding, except an action to enforce this Assurance.

29. Unless otherwise specifically provided, all actions required pursuant to this Assurance shall commence as of the Effective Date. In the event that Sprint acquires any new entity, Sprint shall take immediate steps to cease charging for all Commercial PSMS through such newly acquired entity. With respect to any such entities, Sprint shall provide Consumers with access to a customer service representative who shall have access to Consumer's account information related to Third-Party Charges for at least the prior twelve (12) months. If such information is not available, Sprint shall have twelve (12) months to come into compliance with Paragraph 15(a) with respect to such entities and, while coming into compliance, shall respond to the Consumers' inquiries within ten (10) days using available information. As to all other requirements contained in this Assurance, Sprint shall have a reasonable period of time, which in no event shall exceed six (6) months, in which to bring said entity into compliance with this Assurance, and during that period, Sprint shall take reasonable steps to obtain Express Informed Consent before a Consumer is charged for any Third-Party Charge.

30. Nothing in this Assurance limits Sprint's right, at its sole discretion, to provide refunds or credits to Consumers in addition to what is required in this Assurance. Further, nothing in any provision of this Assurance shall be read or construed to require Sprint (a) to share customer proprietary network information ("CPNI") with any person not legally entitled to receive CPNI; (b) to share customer information in such way that it would violate any applicable law or privacy policy; or (c) to grant more than one full refund for any single Unauthorized Third-Party Charge. Sprint shall not amend its privacy policy to excuse its compliance with the reporting, tracking, or other provisions of this Assurance related to the sharing of customer information unless required by law.

31. Sprint understands that the Attorney General may file and seek court approval of this Assurance. Should such an approval be obtained, the court shall retain

jurisdiction over this Assurance for the purpose of enabling the parties to apply to the court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this Assurance. Neither party will object on the basis of jurisdiction to enforcement of this Assurance under this Paragraph.

32. As consideration for the relief agreed to herein, if the Attorney General of a Participating State determines that Sprint has failed to comply with any of the terms of this Assurance, and if in the Attorney General's sole discretion the failure to comply does not threaten the health or safety of the citizens of the Participating State and/or does not create an emergency requiring immediate action, the Attorney General will notify Sprint in writing of such failure to comply and Sprint shall then have ten (10) business days from receipt of such written notice to provide a good faith written response to the Attorney General's determination. The response shall include an affidavit containing, at a minimum, either: (a) a statement explaining why Sprint believes it is in full compliance with the Assurance; or (b) a detailed explanation of how the alleged violation(s) occurred; and (i) a statement that the alleged breach has been addressed and how; or (ii) a statement that the alleged breach cannot be reasonably addressed within ten (10) business days from receipt of the notice, but (1) Sprint has begun to take corrective action to address the alleged breach; (2) Sprint is pursuing such corrective action with reasonable and due diligence; and (3) Sprint has provided the Attorney General with a detailed and reasonable time table for addressing the alleged violation(s).

33. Nothing herein shall prevent the Attorney General from agreeing in writing to provide Sprint with additional time beyond the ten (10) business day period to respond to the notice provided under Paragraph 32.

34. Nothing herein shall be construed to exonerate any contempt or failure to comply with any provision of this Assurance after the date of its entry, to compromise the authority of the Attorney General to initiate a proceeding for any contempt or other sanctions for failure to comply, or to compromise the authority of a court to punish as contempt any violation of this Assurance. Further, nothing in this Paragraph shall be construed to limit the authority of the Attorney General to protect the interests of the Participating State or the people of the Participating State.

35. The Participating States represent that they will seek enforcement of the provisions of this Assurance with due regard to fairness.

36. Sprint shall designate one or more employees to act as the primary contact for the Attorney General for purposes of assisting the Attorney General in investigations. The contact employee(s) designated by Sprint pursuant to this Paragraph shall be capable of receiving and processing subpoenas, statutory investigative demands, or other legal process requesting information pertaining to the placement of Third-Party Charges on Consumers' Mobile Phone Bill or Prepaid Account. Sprint shall

provide the Attorney General with the name(s), address(es), telephone number(s), facsimile number(s) and electronic mail address(es) of each such employee.

37. This Assurance is intended to supplement, and does not supplant or in any way restrict, the Attorney General's subpoena power and/or investigative authority pursuant to applicable law.

38. This Assurance does not supplant or in any way restrict the Attorney General's powers to investigate the prevalence of Unauthorized Third-Party Charges or the extent to which this Assurance has affected the prevalence of Unauthorized Third-Party Charges in his/her jurisdiction.

39. This Assurance does not supplant or in any way restrict Sprint's legal rights and ability to demand formal legal process to protect its Consumers' privacy rights and/or to protect Sprint from potential liability for disclosing or sharing such information without legal process.

40. The only persons with rights under this Assurance are the parties to the Assurance, namely Sprint and the Attorney General. No third party (including third parties that meet the definition in 8(o)) is entitled to claim rights under this Assurance and no provision of this Assurance is enforceable by any person or entity not a party to the Assurance. The agreement in this Assurance has no third-party beneficiaries.

41. This Assurance represents the full and complete terms of the settlement entered by the parties hereto.

42. All parties participated in the drafting of this Assurance.

43. This Assurance may be executed in counterparts, and a facsimile or .pdf signature shall be deemed to be, and shall have the same force and effect as, an original signature.

44. All Notices under this Assurance shall be provided to the following address via First Class or Electronic Mail:

Kate Whelley McCabe
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
(802) 828-5621
kate.whelleymccabe@state.vt.us

_____

For the Attorney General

Sprint General Counsel, Legal Department
6200 Sprint Parkway
Overland Park, Kansas 66251
For Sprint

45. Any failure by any party to this Assurance to insist upon the strict performance by any other party of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions of this Assurance, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Assurance.

46. If any clause, provision or paragraph of this Assurance shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision, or paragraph of this Assurance and this Assurance shall be construed and enforced as if such illegal, invalid or unenforceable clause, provision, or paragraph had not been contained herein.

47. Nothing in this Assurance shall be construed as relieving Sprint of the obligation to comply with all local, state and federal laws, regulations or rules, nor shall any of the provisions of this Assurance be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

48. The parties understand that this Assurance shall not be construed as an approval of or sanction by the Attorney General of Sprint's business practices, nor shall Sprint represent the decree as such an approval or sanction. The parties further understand that any failure by the Attorney General to take any action in response to any information submitted pursuant to the Assurance shall not be construed as an approval, or sanction, of any representations, acts or practices indicated by such information, nor shall it preclude action thereon at a later date.

49. Sprint shall not participate, directly or indirectly, in any activity or form a separate entity or corporation for the purpose of engaging in acts or practices in whole or in part in Vermont that are prohibited by this Assurance or for any other purpose that would otherwise circumvent any term of this Assurance. Sprint shall not cause, knowingly permit, or encourage any other persons or entities acting on its behalf, to engage in practices from which Sprint is prohibited by this Assurance.

50. If the Attorney General determines that Sprint made any material misrepresentation or omission relevant to the resolution of this investigation, the Attorney General retains the right to seek modification of this Assurance.

51. In the event that any statute or regulation pertaining to the subject matter of this Assurance is modified, enacted, promulgated, or interpreted by the federal government or any federal agency, such as the FCC, such that Sprint cannot comply with both the statute or regulation and any provision of this Assurance, Sprint may

comply with such statute or regulation, and such action shall constitute compliance with the counterpart provision of this Assurance. Sprint shall provide advance written notice to the Attorney General of Vermont of the inconsistent provision of the statute or regulation with which Sprint intends to comply under this Paragraph, and of the counterpart provision of this Assurance that conflicts with the statute or regulation.

52. In the event that any statute or regulation pertaining to the subject matter of this Assurance is modified, enacted, promulgated or interpreted by a Participating State, such that the statute or regulation is in conflict with any provision of this Assurance, and such that Sprint cannot comply with both the statute or regulation and the provision of this Assurance, Sprint may comply with such statute or regulation in the Participating State, and such action shall constitute compliance with the counterpart provision of this Assurance. Sprint shall provide advance written notice to both the Attorney General of Vermont and the Attorney General of the Participating State, of the inconsistent provision of the statute or regulation with which Sprint intends to comply under this Paragraph, and of the counterpart provision of this Assurance that is in conflict with the statute or regulation.

53. To seek a modification of this Assurance for any reason other than that provided for in Paragraphs 51 or 52 of this Assurance, Sprint shall send a written request for modification to the Attorney General of Vermont on behalf of the Participating States. The Participating States shall give such petition reasonable consideration and shall respond to Sprint within thirty (30) days of receiving such request. At the conclusion of this thirty (30) day period, Sprint reserves all rights to pursue any legal or equitable remedies that may be available to it.

54. To the extent that any of the provisions contained herein permit implementation beyond the Effective Date, the parties have agreed to the delayed implementation of such provisions based on Sprint's representation that it is currently unable to meet the requirements of such provisions and that it needs the additional specified time to develop the necessary technical capabilities to come into compliance with the requirements of such provisions. Sprint agrees to make good-faith and reasonable efforts to come into compliance with any such provisions prior to the implementation dates set by such provisions to the extent commercially practicable.

55. Sprint shall pay all court costs associated with the filing of this Assurance, should the Attorney General be required to file and seek court approval of this Assurance.

DATED at Montpelier, Vermont this 7th day of May, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____

Kate Whelley McCabe
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
(802) 828-5621
kate.whelleymccabe@state.vt.us

DATED at Kansas City, Missouri this 6th day of May, 2015.

SPRINT CORPORATION

By: _____

Kevin McGinnis
Vice President
Sprint / Pinsight Media+
909 Walnut Street, Suite 400
Kansas City, MO 64106

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FILED

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

IN RE: STRATEGIC FUNDRAISING	)	CIVIL DIVISION
	)	Docket No. 389-6-15 Wncv
	)	

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Strategic Fundraising, Inc. ("Respondent") hereby agree to this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. §§ 2459, 2479.

In summary, the Attorney General alleges that during the course of soliciting charitable contributions in Vermont on behalf of the Environmental Defense Fund, Respondent: (1) failed to clearly and conspicuously disclose that it was a paid fundraiser; (2) failed to provide the required disclosure on how a call recipient could obtain information on the percentage of a contribution that goes to the charity and the percentage that goes to Respondent; and (3) misrepresented its relationship to the Environmental Defense Fund.

REGULATORY FRAMEWORK

1. Vermont's Consumer Protection Act prohibits "[u]nfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce." 9 V.S.A. § 2453.
2. Vermont's Charitable Solicitations law prohibits paid fundraisers from "misrepresent[ing], directly or indirectly, to a contributor or potential contributor any fact relating to the solicitation[.]" 9 V.S.A. § 2475(b).

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3. Vermont's Charitable Solicitations law requires paid fundraisers, in the course of a solicitation, to "clearly and conspicuously disclose[] . . . : (1) that the solicitor is being paid by the charitable organization on whose behalf the solicitation is being made[.]" 9 V.S.A. § 2475(e); CP Rule 119.07(a).

4. Vermont's Charitable Solicitations law requires paid fundraisers, in the course of a solicitation, to "clearly and conspicuously disclose[] . . . : ... (2) how the potential contributor may obtain information from the state on the respective percentages of contributions that will be paid to the charitable organization and to the paid fundraiser." 9 V.S.A. § 2475(e). The respective percentages are known as "the split."

5. Additionally, Vermont's Consumer Protection Rule 119, regulating charitable solicitations, requires a paid fundraiser to "clearly and conspicuously make an oral disclosure in substantially the following form to every person from whom it solicits a contribution in whole or in part by telephone.

> To find out how much of your contribution goes to the charity and how much to the paid fundraiser, call the Vermont Attorney General's Office at 1-800-649-2424, or log onto the Attorney General's website."

CP Rule 119.07(b).

6. Vermont's Consumer Protection Rule 119 defines "clearly and conspicuously" in an oral communication to mean "that the information is presented in a manner that a consumer will hear and understand" and further states that a "disclosure is not clear and conspicuous if ... it is ambiguous[.]" CP Rule 119.01(b).

7. Vermont's Charitable Solicitations law requires paid fundraisers to disclose their role as a paid fundraiser and prohibits a paid fundraiser from "misrepresent[ing], directly or

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indirectly, his or her relationship to a charitable organization." 9 V.S.A. § 2475(a).

8. Vermont's Consumer Protection Rule 119 prohibits paid fundraisers from "[m]isprepresent[ing] any material fact in the course of soliciting a contribution, including, but not limited to: ... (1)The identity or affiliation of the solicitor or paid fundraiser[.]" CP Rule 119.08(a).

DEFINITIONS

9. For the purposes of this AOD, the terms "charitable organization," "contribution," "fundraising campaign," "paid fundraiser," and "solicitation" are defined in the same manner as they are defined in 9 V.S.A. § 2471.

BACKGROUND

10. Respondent Strategic Fundraising is a for-profit corporation incorporated under the laws of Minnesota, with its principal place of business located at 7800 3rd Street North, Suite 900, St. Paul, MN 55128. Respondent conducts business throughout the State of Vermont as a paid fundraiser for various charitable organizations.

11. From at least 2008 to the present, Respondent has solicited contributions by telephone from Vermont residents on behalf of various charitable organizations, including the Environmental Defense Fund.

FACTS

12. From June 1, 2013, to February 2015, Respondent was actively soliciting charitable contributions by telephone on behalf of the Environmental Defense Fund from Vermonters.

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Failure to Disclose that Caller was a Paid Fundraiser

13. In soliciting charitable contributions from Vermonters on behalf of the Environmental Defense Fund, Respondent's callers used a script that, after several sentences of introductory material, says, "That's why the Environmental Defense Fund has asked Strategic Fundraising as a paid fundraiser to help with this campaign." The script never states that the caller is calling from or is an employee of Strategic Fundraising.

Failure to Provide Required Disclosure of How to Obtain the Split

14. In at least one call to a Vermonter in December 2014, an employee of Respondent failed to clearly and conspicuously disclose "how the potential contributor may obtain information from the state on the respective percentages of contributions that will be paid to the charitable organization and to the paid fundraiser." 9 V.S.A. § 2475(e)(2). The employee likewise failed to provide the language required by CP Rule 119.07(b), or substantially similar language.

15. When specifically prompted by the recipient of the December 2014 call to provide the disclosures required by 9 V.S.A. § 2475(e)(2) and CP Rule 119.07(b), Respondent's employee failed to do so, and instead directed the recipient to a different website, which did not contain the required disclosure.

Misrepresenting Solicitor's Relationship to the Charitable Organization

16. In at least one call to a Vermonter in December 2014, an employee of Respondent used the following phrases:

    a. "We can't allow the coal industry and its political allies ...."

    b. "A lot of our loyal friends are helping out...."

17. The script used by Respondent's callers soliciting charitable contributions from

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Vermonters on behalf of the Environmental Defense Fund includes the following statements:

a. "We can't let anyone in the new Congress kill the Clean Power Plan."

b. "We must act NOW to set national limits on carbon emissions …."

c. "We need to help ensure that [Americans] have a voice…."

d. "We need the resources to counter these ads…."

e. "[W]e will face a powerful and entrenched coal lobby."

f. "[Using a credit card] allows us to put your donation to work right away…."

Additional Facts

18. For the purposes of this AOD, Respondent admits that its employees, other than the specific employee referenced in ¶¶ 14-15, followed the script when making solicitations into Vermont.

19. Since February 2015, Respondent has ceased all solicitations into Vermont.

20. Respondent Strategic Fundraising admits the truth of all facts set forth in the Background section.

21. The Attorney General alleges that some of the above conduct is in violation of 9 V.S.A. §§ 2475(a), (b), (e) and Consumer Protection Rule CP 119.07, 119.08(a)(1) and 119.08(a)(3), and further alleges that any such violation would constitute unfair and deceptive acts and practices under 9 V.S.A. § 2453.

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AGREEMENT

FUTURE COMPLIANCE

22. It is hereby AGREED that Respondent Strategic Fundraising:

a. shall voluntarily cease soliciting charitable contributions in Vermont for a period of two years from the date this AOD is filed; and

b. shall not commence soliciting charitable contributions in Vermont before the date referenced in paragraph 22(a) without prior written approval of the Attorney General, which approval shall not be unreasonably withheld;

23. At such time that Respondent commences soliciting charitable contributions in Vermont under paragraphs 22(a) or 22(b) of this AOD, it is hereby AGREED that Respondent:

a. shall comply with all provisions of the Vermont Consumer Protection Act, including but not limited to provisions in 9 V.S.A. chapter 63, subchapters 1 and 2, Consumer Protection Rule 119, and all other applicable Vermont laws;

b. shall clearly and conspicuously disclose in all fundraising calls into Vermont, that it is a paid fundraiser being paid by the charitable organization on whose behalf it is soliciting, using language substantially similar to, "Hello, my name is [caller's name], and I am calling from Strategic Fundraising, a paid fundraiser calling on behalf of [charitable entity]";

c. shall clearly and conspicuously provide all other disclosures required by 9 V.S.A. § 2475(c) and CP Rule 119.07;

d. shall not use the first person plural pronouns "we," "our," or "us" in its telephone solicitation scripts for any call made into the State of Vermont or any other statements such as the ones referenced in paragraphs 16 and 17 of this AOD;

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e. shall, prior to commencing soliciting charitable contributions in Vermont, train all current and future employees on the disclosure requirements for calls into the State of Vermont and shall provide all current and future managers with a copy of this AOD for a period of three (3) years from the signing of this AOD; and

f. shall, prior to commencing soliciting charitable contributions in Vermont, provide the Attorney General with documents demonstrating compliance with paragraph 23(e) of this AOD, including, but not limited to, a sworn affidavit from the training manager and updated training materials and employee manuals.

24. Respondent shall provide, within ten (10) days of the Attorney General's request, copies of all scripts, rebuttals and any other written material related to its solicitations into Vermont.

25. Respondent shall retain recordings of all solicitation calls made into Vermont on behalf of any charitable cause for a period of one (1) year from the date of the solicitation call.

26. Respondent shall provide, within ten (10) days of the Attorney General's request, copies of the recordings referenced in paragraph 25 as an .mp3, .mp4, .wmv or other file format agreed upon by the parties.

27. It is hereby AGREED that the parties have compromised and settled all potential claims regarding alleged violations of 9 V.S.A. §§ 2475(a), (b), (e) and Consumer Protection Rule 119.07, 119.08(a)(1) and 119.08(a)(3), based on the facts detailed in the Background section of the AOD up to the effective date of this AOD. The parties further acknowledge and agree that this is a negotiated settlement of disputed claims and no admissions of wrongdoing have been made.

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MONETARY RELIEF

28. As part of the negotiated settlement, it is hereby AGREED that Respondent Strategic Fundraising shall pay twenty-two thousand, five hundred dollars ($22,500) as described below.

29. Of the amount described in paragraph 28,

a. Respondent Strategic Fundraising shall pay five thousand dollars ($5,000) in lieu of a civil penalty and as a means of effectuating the donors' presumptive intent to the Environmental Defense Fund, 257 Park Avenue South, New York, NY 10010. A copy of the checks and transmittal letters shall be sent to Assistant Attorney General Todd Daloz, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609. These payments shall be made on the following schedule:

i. payment of $2500 by August 15, 2015;

ii. payment of $2500 by September 15, 2015;

b. Respondent shall pay seventeen thousand, five hundred dollars ($17,500) as a civil penalty to the State of Vermont. Payment shall be made either by wire transfer or in the form of a bank or cashier's check delivered to Assistant Attorney General Todd Daloz, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609, on the following schedule:

i. payment of $2500 for the State's fees and costs of investigation in connection with this matter within ten (10) days of both parties signing this AOD;

ii. payment of $5000 by October 15, 2015;

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iii. Payment of $5000 by November 15, 2015; and

iv. Payment of $5000 by December 15, 2015.

OTHER TERMS

30. Respondent Strategic Fundraising agrees that the terms of this AOD shall be binding on Strategic Fundraising, its officers, successors and assigns.

31. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this AOD and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this AOD.

STIPULATED PENALTIES

32. If the Superior Court of the State of Vermont, Washington Unit, enters an order finding Respondent Strategic Fundraising to be in violation of this AOD during the course of soliciting charitable contributions in Vermont, then the parties agree that penalties to be assessed by the Court are as follows:

a. for failure to clearly and conspicuously disclose in all calls into Vermont that it is a paid fundraiser being paid by the charitable organization on whose behalf it is soliciting, or failing to use language substantially similar to that described in paragraph 23(b) of this AOD, the penalty shall be $10,000 for each violation;

b. for failure to clearly and conspicuously provide the disclosure required by 9 V.S.A. § 2475(e)(2) and CP Rule 119.07(b) in all solicitation calls into Vermont, the penalty shall be $8,000 for each violation;

c. for use of a script that violates paragraph 23(d) of this AOD during a telephone solicitation, regardless of the number of individual solicitations made using said

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script, the penalty shall be $8,000 for each script;

d. For violating any of the prohibited practices listed in CP Rule 119.08(a), the penalty shall be $8,000 for each violation;

e. For failure to provide the materials referenced in paragraph 23(f) of this AOD prior to commencing soliciting charitable contributions in Vermont, the penalty shall be $5,000;

f. For failure to timely provide the materials referenced in paragraphs 24 and 25 of this AOD without prior written approval from the Attorney General's Office, the penalty shall be $1000 per item per day up to $8,000; and

g. For violating any other provision of this AOD, the penalty shall be in the discretion of the Court.

SIGNATURE

In lieu of instituting an action or proceeding against Respondent Strategic Fundraising, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this AOD. By signing below, Strategic Fundraising voluntarily agrees with and submits to the terms of this AOD.

DATED at St Paul, MN, this 11th day of June, 2015.

[Strategic Fundraising Representative or Officer]

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Montpelier, VT
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AS TO FORM:

DATED at New Albany, OH, this 10th day of June, 2015.

Sandy Lynsky, Esq.
MacMurray Petersen & Shuster

ACCEPTED on behalf of the Vermont Attorney General:

DATED at Montpelier, Vermont this 19th day of June, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By:
Todd W. Daloz
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
todd.daloz@state.vt.us
(802) 828-5507

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STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT 2015 OCT 23 A 8:17

In Re: SUBURBAN PROPANE, L.P.	)	CIVIL DIVISION
	)	Docket No. 1615-10-15 Wncv

ASSURANCE OF DISCONTINUANCE

The State of Vermont, by and through Vermont Attorney General William H. Sorrell, and Suburban Propane, L.P. ("Suburban" or "Respondent"), hereby enter into this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. § 2459.

Background

Suburban Propane, L.P.

1. Suburban Propane, L.P. is a Delaware limited partnership with offices at 240 Route 10 West, Whippany, NJ 07981-0206. Suburban's operations include the retail marketing, sale and distribution of propane and other fuels to residential, commercial, industrial and agricultural customers, serving approximately 1.2 million retail customers in 42 states.
2. In August 2012, Suburban acquired Inergy Propane, LLC, which formerly operated in Vermont under the name Pyrofax Energy.
3. As of June 2015, Suburban was providing fuel services to approximately 40,000 Vermont consumers.

Regulatory Framework

4. Pursuant to 9 V.S.A. § 2461b, the Vermont Attorney General's Office has regulation of and rulemaking authority to promote business practices which are uniformly fair to sellers and to protect consumers concerning propane gas. Vermont Consumer

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Protection Rule 111 ("CP 111" or "Propane Rule") for liquefied petroleum "propane" gas was amended in 2009, effective on January 1, 2010 ("2010 CP 111"), and amended again in 2011, effective on January 1, 2012 ("CP 111").

5. A violation of CP 111 constitutes an unfair and deceptive trade act and practice in commerce under Vermont's Consumer Protection Act, 9 V.S.A. § 2453. 9 V.S.A. § 2461b(c)(1); CP 111.01.

6. Violations of the Consumer Protection Act are subject to a civil penalty of up to $10,000.00 per violation. 9 V.S.A. § 2458(b)(1).

7. On April 16, 2003, Suburban entered into an AOD with the Vermont Attorney General's Office regarding the collection of certain regulatory charges from consumers ("2003 AOD"). The 2003 AOD required Suburban to "immediately cease charging consumers a 'reg fee' or any similar charge that is assessed per invoice or per delivery of product," 2003 AOD ¶ 17, and required Suburban to "institute supervisory procedures reasonably designed to achieve compliance with [that] Assurance." 2003 AOD ¶ 19. The 2003 AOD also required Suburban to "immediately cease charging consumers separate fees for services that are part of the direct costs of providing liquid propane to the consumer" including "costs associated with complying with . . . other regulations associated with delivery of liquid propane to consumers." *Id.* ¶ 18. At the time the 2003 AOD was entered into by the parties, Vermont law defined the term "consumer" as a customer purchasing propane "for residential use and not for resale."

8. On November 7, 2005, Suburban entered into an AOD with the Vermont Attorney General's Office regarding the disclosure of price changes in pre-buy contracts

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relating to heating oil, which contracts had been offered by a subsidiary of Suburban ("2005 AOD"). The 2005 AOD required Suburban to "disclose clearly and conspicuously in writing to its customers all of the terms and conditions of the [pre-buy] program." 2005 AOD ¶ 1(b). The 2005 AOD also required Suburban to comply with Vermont law and the Consumer Protection Act. *Id.* ¶ 1(a).

9. On June 5, 2008, Suburban entered into an AOD with the Vermont Attorney General's Office regarding the collection of tank removal fees ("2008 AOD"). The 2008 AOD required Suburban to remove tanks with "reasonable promptness" following a consumer's request, 2008 AOD ¶ 22, and also required Suburban to "institute supervisory procedures reasonably designed to achieve compliance with" that assurance. *Id.* ¶ 23. The 2008 AOD also required Suburban to comply with Vermont law.

The Vermont Attorney General's Investigation of Suburban

10. Between January 2010 and March 2015, the Attorney General's Office, Consumer Assistance Program ("CAP") has received complaints regarding Suburban's propane service. These included complaints regarding delays in tank removal and refund checks after service termination, unauthorized disconnections, and billing issues associated with Suburban's services. Suburban responded timely to those complaints, most of which have been resolved within the CAP program.

Refund and Tank Removal Practices

11. When a propane gas seller terminates service to a consumer using a seller-owned tank, CP 111.16(a) requires that seller to, "refund the consumer within 20 days of the date when the seller disconnects propane service or is notified by the consumer in

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writing that the seller's equipment is no longer connected, whichever is earlier, (1) the amount paid by the consumer for any propane remaining in the storage tank, less any payments due the seller from the consumer; or, (2) the amount paid by the consumer for 80 percent of the seller's best reasonable estimate of the quantity of propane remaining in the tank less any payments due the seller from the consumer, if the quantity of propane remaining in the storage tank cannot be determined with certainty." *See also* 9 V.S.A. § 2461b(e)(2)(B) (same) and 2010 CP 111.18(b) (same).

12. CP 111.16(c)(1) requires a propane seller that fails to issue a timely refund to pay a penalty to consumers of $250 for the first day, plus $75/day each day thereafter, until the refund and penalty are paid in full. *See also* 9 V.S.A. § 2461b(e)(4) (same, but capping the total amount of the $75/day penalty at 10 times the amount of the refund).

13. CP 111.15(a) requires a propane seller to remove a seller-owned storage tank at a terminated consumer's request (which must be in writing if the tank was disconnected by someone other than the seller owning the tank) within 20 days for an aboveground tank (30 days in the case of an underground tank) or as soon as weather and access to the tank permits. *See also* 2010 CP 111.18(a) (same). As of July 1, 2013, 9 V.S.A. § 2461b(h)(3) requires a propane seller that fails to remove a tank within required timeframes to pay a penalty to consumers of $250 for the first day, plus $75/day each day thereafter (and capping the total amount of the $75/day penalty at $2000), until the tank has been removed and the tank removal penalty is paid in full.

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14. Before January 2015, Suburban's system to ensure that tanks were timely removed or that refund checks were issued within the statutory 20-day timeframe required manual review and tracking of customer data to process tank removal and issuance of refund checks. In January 2015, Suburban automated the review and tracking process, using newly available technology. To date, no complaints have been received by CAP or Suburban alleging delayed tank removals or refund payments with respect to service terminations occurring after the automated process was instituted.

15. Suburban sampled 150 of its customers' data and reported that between January 2010 and April 2012, 28 consumers appeared to have experienced unjustified refund delays and tank removal delays.

16. Because not all customer data was searched, the parties agreed on an extrapolation formula to determine appropriate payments to be paid to consumers.

Service Disconnection Practices

17. CP 111.11(b)(1) prohibits a propane company from disconnecting a delinquent consumer account earlier than 14 days after the company has sent a Notice of Intent to Disconnect to that consumer.

18. CP 111.02(f) defines a disconnection as "a deliberate refusal to deliver propane, or a deliberate interruption or disconnection of service by a seller to a consumer previously receiving service from the seller."

19. Before April 2013, when applying a "delivery hold" to delinquent consumer accounts, Suburban sometimes applied the hold immediately and did not always provide a Notice of Intent to Disconnect and 14 days' notice, as required under CP

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111.11(b)(1). A delivery hold is a refusal to deliver fuel to a consumer, and, the State contends, therefore constitutes a disconnection as defined by CP 111.02(f).

Billing Practices

20. CP 111.03(a) requires a propane seller to disclose "the price or prices of its propane" and the applicable fees.

21. CP 111.09(f) prohibits a seller from misrepresenting "the nature of any fee" and prohibits collecting from a consumer "any 'governmental,' 'regulatory,' 'environmental' or other similar fee." The section "does not limit the per-gallon price charged by sellers or prohibit collection of any tax allowable under Vermont law."

22. 33 V.S.A. § 2503(a) imposes a 0.5% gross receipts tax on propane and other fuels. The tax is paid directly by the seller. *See* 33 V.S.A. § 2503(b) ("[t]he tax shall be levied upon and collected quarterly from the seller."). The statute permits the seller to recover the amount of the tax in the prices it charges for the fuel. The State does not dispute that Suburban directly paid the applicable tax to the State.

23. 33 V.S.A. § 2503(b) provides for the following: "Fuel sellers may include the following message on their bills to customers: *The amount of this bill includes a 0.5% gross receipts tax, enacted in 1990, for support of Vermont's Low Income Home Weatherization Program.*" (emphasis added).

24. Due to a programming error associated with the upgrade of its automated delivery system, for a six-month period in 2011, Suburban disclosed the tax as a separate line item on propane invoices. At other times, Suburban included a statement on its invoices stating that the "fuel amount may include gross receipts taxes."

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25. Also, prior to January 2015, when quoting the initial price-per-gallon for its propane to consumers, Suburban representatives manually calculated the impact of the tax on that price, with an inherent risk of error. Since January 2015, Suburban has automated the process to generate the fuel price with the tax included for use in its quotes.

26. As of January 1, 2012, the definition of "consumer" in CP 111 was amended to include metered and certain commercial customers, but that change did not automatically apply to the 2003 AOD. 2003 AOD ¶ 22.

27. Following the effective date of such definition change, Suburban charged 593 customers falling under the new definition of "consumer" a "REGFEE" aggregating $28,398.30 in total.

The State's Allegations

28. The Vermont Attorney General's Office alleges the following violations of the Consumer Protection Act and Rules:

    a. The failure to reimburse Vermont consumers for unused gas remaining in the tank following disconnection or termination of service within the required timeframe is a violation of 9 V.S.A. § 2461b(e)(2)(B), CP 111.16(a), and 2010 CP 111.18(b);

    b. The failure to remove storage tanks, without apparent justification, within the required timeframe is a violation of the 9 V.S.A. § 2461b(h)(1), 2008 AOD, CP 111.15(a) and 2010 CP 111.18(a);

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c. The placement of delivery holds earlier than 14 days after the company had sent a Notice of Intent to Disconnect to that consumer is a violation of CP 111.11(b)(1);

d. Suburban's method of billing of the fuel tax and its failure to sometimes include the fuel tax in its initial price-per-gallon quotes is a violation of 33 V.S.A. § 2503, CP 111.03(a), and CP 111.09(f); and

e. The collection of a "REGFEE" is a violation of the 2003 AOD and CP 111.09(f).

29. The State of Vermont alleges that the above behavior constitutes unfair and deceptive acts and practices under 9 V.S.A. § 2453.

Assurances and Relief

In lieu of instituting an action or proceeding against Suburban, the Attorney General and Suburban are willing to accept this AOD pursuant to 9 V.S.A. § 2459. Agreeing to the terms of this Assurance of Discontinuance for purpose of settlement does not constitute an admission by Suburban to a violation of any law, rule, regulation or prior AOD. Accordingly, the parties agree as follows:

Injunctive Relief

30. Suburban shall immediately establish policies and procedures reasonably designed to achieve compliance with all applicable Vermont laws and regulations, including but not limited to all AODs entered into with the Vermont Attorney General's Office; the Vermont Consumer Protection Act, 9 V.S.A., Chapter 63; and CP 111, as they may from time to time be amended, and will provide appropriate training to its applicable personnel in how to properly implement those policies and procedures.

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31. Within 60 days of signing this AOD, Suburban shall provide a written description to the Attorney General's Office of the policies, procedures, and training implemented under ¶ 30 above.

32. Suburban shall institute procedures designed to ensure that its customer service staff trained in ¶ 30 above will handle propane-related phone calls (not related to emergency situations) from Vermont consumers. Solely as just one example of acceptable procedures, but not as a requirement, Suburban might implement a phone procedure whereby customers would identify the state in which they reside and for any caller indicating they were a consumer calling from Vermont, Suburban's customer service staff would: (1) transfer the Vermont consumer to a Suburban staff person trained in accordance with ¶ 30 above; or (2) inform the Vermont consumer of when such a Vermont-trained staff-person will be available to handle the call.

33. Suburban shall comply with the provisions of 9 V.S.A. § 2461b(e)(2)-(4) and CP 111.16 (or any replacement or successor provisions) at that time in effect (which compliance shall be determined after taking into account any provisions thereof relating to the payment of a penalty to the consumer); which in general provide for refunds to be paid to propane consumers in Vermont within 20 days of the date when the vendor disconnects or terminates service to a consumer, or when it is notified by the consumer in writing that service is disconnected, whichever is earlier.

34. Suburban shall comply with the provisions of 9 V.S.A. § 2461b(h) and CP 111.15 (or any replacement or successor provisions) at that time in effect (which compliance shall be determined after taking into account any provisions thereof relating to the payment of a penalty to the consumer); which in general provide for a vendor to

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remove aboveground propane storage tanks within 20 days (30 days in the case of an underground tank) of a Vermont consumer's request for service termination or upon receipt from the consumer in writing that the tank has been disconnected, whichever occurs earlier.

35. For a period of one year from the date of this AOD, Suburban shall document its compliance with CP 111.15 and CP 111.16 by recording the dates and manner that: (a) a consumer requests termination of service (including any request for a future tank removal if applicable); (b) the consumer's propane tanks were disconnected or removed; and (c) the consumer's refund check, if any, was issued.

36. Suburban shall prepare reports to the Attorney General's Office, containing the information required by ¶ 35. If there are delays in terminating service (i.e., beyond the allowable timeframes), Suburban shall document the reason(s) for the delay(s), whether any penalty was paid for delayed termination or refund, and the date and amount of any payment. Such reports and documentation shall be submitted every 90 days thereafter for one year for a total of four reports.

37. Suburban shall comply with the provisions of 9 V.S.A. § 2461b(g) and CP 111.11 (or any replacement or successor provisions) at that time in effect; which in general provide that a vendor may not discontinue a Vermont consumer's service by reason of a delinquent account unless:

    a. that vendor has mailed or delivered a Notice of Intent to Disconnect to that consumer at least 14 days, but not more than 30 days, before the disconnection occurs; and

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b. that vendor has provided the consumer the opportunity to enter into a reasonable Delinquency Payment Plan to satisfy the amount of the delinquency.

38. Suburban shall not collect any "REGFEE," or other regulatory charge from a Vermont consumer directly.

39. Suburban shall not itemize the gross receipts fuel tax as a separate line item on its invoices nor subsequently add such tax to a price-per-gallon quoted to a Vermont consumer. If Suburban wishes to describe to Vermont consumers the inclusion of the gross receipts fuel tax in its propane prices, it may only state on its invoices the approved message provided for in 33 V.S.A. § 2503(b).

Payments to Customers

40. Within 30 days of signing this AOD, Suburban shall refund the aggregate $28,398.30 in improperly collected REGFEEs to the customers referenced in ¶ 27; provided that nothing in this paragraph shall obligate Suburban to issue a refund of less than $1.00 to any individual.

41. Within 60 days of the later of (a) signing this AOD, and (b) Suburban receiving from the Attorney General's Office all materials referenced in ¶ 44, Suburban shall pay to each consumer known to have had a delay in a refund check between January 1, 2010 and April 13, 2012 the actual penalty amount prescribed by 9 V.S.A. § 2461b(e)(4) and CP 111.16(c)(1) for those delays occurring after May 23, 2011, and $250 for those delays pre-dating May 23, 2011, for a total of $11,325 paid to 16 consumers.

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42. Within 60 days of the later of (a) signing this AOD, and (b) Suburban receiving from the Attorney General's Office all materials referenced in ¶ 44, Suburban shall pay to each consumer known to have had a delay in a tank removal between January 1, 2010 and April 13, 2012 the following amounts: $500 for any delay up to 30 days; $1,000 for any delay up to 60 days; $1,500 for any delay up to 90 days; and $2,000 for any delay greater than 90 days; for a total of $9,000 paid to 12 consumers.

43. Excluding the consumers identified in ¶¶ 41-42, there are approximately 1,802 Vermont propane consumers residing in Suburban's regions known as "Central CSC 2272" and "North CSC 2100" who had Suburban propane service disconnected between January 1, 2010 and April 13, 2012, and who may have experienced a delay in either tank removal or refund checks. The parties have agreed on an average payment to consumers based on geographic region and type of delay, using an extrapolation formula from a sampling of Suburban's customer data. Within 60 days of the later of (a) signing this AOD, and (b) Suburban receiving from the Attorney General's Office all materials referenced in ¶ 44, Suburban will pay: (i) each consumer in Suburban's region known as North CSC 2100 who had Suburban propane service disconnected during the foregoing period an agreed-upon amount of $166.00 for a total of $115,536; and (ii) each consumer in Suburban's region known as Central CSC 2272 who had Suburban propane service disconnected during the foregoing period an agreed-upon amount of $133.00 for a total of $147,098. Consumers who wish to pursue a claim independently may do so by refusing the payment. However, a consumer who accepts the payment by receiving the check

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and not returning it within 90 days waives the ability to pursue an individual claim of either a delayed tank removal or delayed refund check.

44. For any customer who receives a payment per the above (¶¶ 41-43), Suburban shall send the payment in an envelope provided by the Attorney General's Office, along with an explanatory letter contained in Exhibit A, and an additional letter from Suburban contained in Exhibit B. For any consumer in Suburban's region known as South CSC 2012 who had Suburban propane service disconnected in the period commencing January 1, 2010 and ending April 13, 2012, Suburban shall send the letter contained in Exhibit C.

45. Within 60 days of the later of (a) signing this AOD, and (b) Suburban receiving from the Attorney General's Office all materials referenced in ¶ 44, Suburban shall confirm to the Attorney General's Office that it has issued the payments provided for in ¶¶ 40-43.

46. In the event that Suburban is not able to locate consumers to whom any payments provided for in ¶¶ 40-43 are owed after all reasonable efforts to do so have been taken and no later than 180 days after the later of (a) signing this AOD, and (b) Suburban receiving from the Attorney General's Office all materials referenced in ¶ 44, Suburban shall send (via mail or email) to the Attorney General's Office:

    a. a single check, payable to "Vermont State Treasurer" in the total dollar amount of all outstanding amounts, to be treated as unclaimed funds, under Vermont's unclaimed property statute, Title 17, Vermont Statutes Annotated, Chapter 14;

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b. a list, in electronic Excel format, of the consumers whose checks were returned or were not cashed (which list shall set out the first and last names of the consumers in distinct fields or columns), and for each such consumer, the last known address and dollar amount due, and

c. Suburban's principal company address and federal tax identification number.

47. If (a) any consumer in Suburban's region known as "South CSC 2012" who had Suburban propane service disconnected in the period commencing January 1, 2010 and ending December 31, 2014, and (b) any consumer in Suburban's regions known as Central CSC 2272 and North CSC 2100 who had Suburban propane service disconnected in the period commencing April 14, 2012 and ending December 31, 2014, complains to Suburban within 180 days following the signing of this AOD regarding a delay in tank removals or refund checks, Suburban shall review the consumer's complaint in good faith within twenty days. In the event the consumer demonstrates that the refund or tank pick-up was untimely, pursuant to Vermont law, Suburban shall pay a penalty per the terms of this AOD ¶¶ 41-42; and if Suburban disputes that any penalty is owed, Suburban shall send a written explanation to the consumer as to why it believes no penalty is owed, and shall include a statement that the consumer may contact the Consumer Assistance Program at (802) 656-3183 or consumer@uvm.edu, if the consumer disagrees.

48. Suburban shall provide a report to the Vermont Attorney General's Office of all consumers who requested payment under ¶ 47 and the outcomes taken, or that no consumer has requested payment, which shall be delivered within 210 days following the signing of this AOD.

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Payment to the State of Vermont

49. Within 60 days of signing this AOD, Suburban shall pay to the State of Vermont $200,000 in civil penalties and costs. Payment shall be made to the "State of Vermont" and shall be sent to the Vermont Attorney General's Office at the following address: Justin E. Kolber, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

50. Within 60 days of signing this AOD, Suburban shall pay to the Vermont Low Income Home Energy Assistance Program ("LIHEAP") $200,000. Payment shall be made via the Vermont Department for Children and Families, Economic Services Division, Fuel Assistance, 103 South Main Street, Waterbury, Vermont 05671.

Reporting

51. Suburban shall submit the reports described in ¶ 36 above.

52. For a period of one year after the date of signing of this AOD, Suburban shall submit on a quarterly basis a copy of any written or email consumer complaint it receives (excluding complaints forwarded to Suburban from CAP) on or after the date of this AOD that pertains to any matter which, based on the allegations therein, appears to be a violation of CP 111.09, CP 111.11 through 111.13, CP 111.15 or CP 111.16 (whether or not those sections are cited in the complaint), as well as the company's response.

53. The reports required by ¶¶ 51-52 shall commence 90 days after the date of signing of this AOD and shall continue for a period of one year thereafter for a total of four of each report.

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Other Terms

54. In the event that the State receives a request for disclosure of any of the information described in this AOD, the State shall promptly provide notice to Suburban to permit it to take any steps it may deem necessary to prevent disclosure. If the State is required to disclose any information described in this AOD by a government agency or by court order, it shall promptly notify Suburban.

55. This AOD shall be binding on Suburban, its successors and assigns, and all of its affiliate companies doing business in Vermont. As part of its responsibilities under ¶ 30 above, Suburban shall take reasonable steps to ensure that all of its and its affiliate companies' officers and managers responsible for operations in the State of Vermont are aware of the Injunctive Relief provisions of this AOD.

56. Acceptance of this AOD by the Vermont Attorney General's Office shall not be deemed approval by the Attorney General of any of the practices or procedures of Suburban not required by this AOD, and Suburban shall make no representation to the contrary.

57. This AOD resolves all existing claims the State of Vermont may have against Suburban stemming from the conduct described in this document as of the date of signature below, provided, however, that nothing herein waives the Attorney General's right to assert and prove any violations of law unrelated to the conduct described in this AOD.

58. Nothing in this AOD waives the right of any consumer to pursue claims stemming from the conduct described in this document; except, however, that any consumer

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who accepts and cashes a check provided pursuant to this AOD shall waive any claim regarding delayed refund checks and tank removals.

59. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this AOD and the parties hereto for the purpose of enabling any of the parties hereto to apply to this Court at any time for orders and directions as may be necessary or appropriate to carry out or construe this AOD, to modify or terminate any of its provisions, to enforce compliance, and to punish violations of its provisions.

60. All notices related to this AOD shall be given to Suburban via:

Richard A. Giuditta, Esq.
Bevan, Mosca, Giuditta & Zarillo, P.C.
222 Mount Airy Road, Suite 200
Basking Ridge, NJ 07920

Violations and Stipulated Penalties

61. In the event that the Attorney General alleges that Suburban has violated any of the terms of this AOD, then the parties agree that the Attorney General shall be entitled to bring any other matters to the Court's attention involving potential violations of law by Suburban, and that the Attorney General shall not have waived any of its rights to assert and prove any violations of law by Suburban unrelated to the conduct described in this AOD.

62. If the Superior Court of the State of Vermont, Washington Unit enters an order finding Suburban to be in violation of ¶¶ 33, 34 and/or 37-39 of this AOD, then the parties agree that penalties to be assessed by the Court for each act in violation of those paragraphs of this AOD shall be $5,000. For purposes of this paragraph 62, a

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violation of any one of those paragraphs with respect to a single propane consumer shall only constitute a single "act," and not each day delayed or each charge assessed, and shall not apply to a *de minimis* violation.

SIGNATURES APPEAR ON NEXT PAGE

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

DATED at Montpelier, Vermont this 22nd day of October, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____
Justin E. Kolber
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
(802) 828-5620
justin.kolber@vermont.gov

DATED at Whippany, New Jersey this 22nd day of October, 2015.

SUBURBAN PROPANE, LP

By: _____
Its Authorized Agent

Michael A. Stivala
President & CEO
Name and Title of Authorized Agent

APPROVED AS TO FORM:

_____
Justin E. Kolber
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609

For the State of Vermont

_____
Richard A. Giuditta, Esq.
Bevan, Mosca, Giuditta & Zarillo, P.C.
222 Mount Airy Road, Suite 200
Basking Ridge, NJ 07920

For Suburban Propane, LP

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

EXHIBIT A

December 2015

Re: Suburban Propane, LP settlement

Dear Vermont consumer:

You have been identified as a current or former customer of Suburban Propane, LP ("Suburban") who, between January 1, 2010, and April 30, 2012, may have terminated propane service from Suburban.

As a result of a settlement with the Attorney General's Office, Suburban is providing the enclosed payment to address any delays that may have occurred in terminating your propane service. Those delays may have been caused by removing propane storage tanks or issuing refund checks outside the timeframes required by Vermont law.

If you accept the check, you will waive whatever rights, if any, that you may possess to pursue an individual claim against Suburban resulting from any delay in terminating your propane service, including claims brought pursuant to the Vermont Consumer Protection Act.

If you wish to decline the payment and pursue any claim against Suburban, you may do so by returning or mailing the check to Suburban, first class postage, within 90 days of the date of this letter, to the following address:

Suburban Propane, LP
240 Route 10 West
P.O. Box 206
Attention VT Claims
Whippany, NJ 07981-0206

For more information on the Vermont consumer protection rules or the terms of this settlement, please visit the Attorney General's Office website at www.atg.state.vt.us or call the Consumer Assistance Program at 800-649-2424 or (802) 656-3183.

Sincerely,

William H. Sorrell
Attorney General

Enc.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

EXHIBIT B

Date

Dear Vermont Consumer:

As explained in the enclosed letter from the Vermont Attorney General, we are enclosing payment to address any delays in removing our propane storage tank and/or issuing a refund check that may have occurred in connection with the termination of your propane service between January 1, 2010 and April 13, 2012.

We sincerely regret any delays you may have experienced, and apologize for any inconvenience. As a customer service driven company, our goal is, and always has been, to exceed your expectations. That is why, in connection with our cooperation with the Attorney General, we have conducted a comprehensive review of our tank removal and check refund practices. As a result of this review, we have implemented improved and automated procedures, and provided special training to our employees, to help ensure that our tank removal and check refund practices conform to our internal standards of excellence.

We welcome this opportunity to regain your trust and your business. We offer friendly service by local professionals you know and trust, a reliable supply of propane and heating oil where and when you need it, convenient automatic delivery, multiple payment options, 24/7/365 live customer support, and industry leading concern for your safety.

Please call us at (855) 812-0449 to address any questions you may have, or to let us put our 85+ years of experience back to work for you!

Sincerely,

_____

Russell S. Freeman
General Manager

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

EXHIBIT C

December 2015

Re: Suburban Propane, LP settlement

Dear Vermont consumer:

You have been identified as a current or former customer of Suburban Propane, LP ("Suburban") who, between January 1, 2010, and April 13, 2012, may have terminated propane service from Suburban.

Suburban has recently entered into a settlement with the Attorney General's Office regarding its process for terminating propane service and issuing refunds. You may review that settlement here: [insert hyperlink]

For more information on Vermont's regulations governing propane or the terms of this settlement, please call the Consumer Assistance Program at 800-649-2424 or (802) 656-3183, or visit https://www.uvm.edu/consumer/?Page=fuel.html

Sincerely,

William H. Sorrell
Attorney General

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

Vermont Superior Court
Washington Civil Division
65 State Street
Montpelier, Vermont 05602
www.VermontJudiciary.org - Civil (802)828-2091, Small Claims (802)828-5551

ENTRY REGARDING MOTION

State of Vermont vs. Terry

2015 MAR 16 A 8:41

570-9-14 Wncv

FILED

Title:

Motion for Default Judgement,

No. 1

Filed on: February 6, 2015

Filed By: Sheffield, Naomi, Attorney for:
Plaintiff State of Vermont

Response: NONE

X Granted Compliance by_____

___ Denied

___ Scheduled for hearing on: _____ at _____;Time Allotted _____

___ Other

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

Mary Miles Teachout
Judge

March 13, 2015
Date

==========

Date copies sent to: 3/16/15 Clerk's Initials

Copies sent to:
Attorney Naomi Sheffield for Plaintiff State of Vermont
~~Defendant Matthew Terry~~

STATE OF VERMONT
WASHINGTON COUNTY, SS.

STATE OF VERMONT,	)	
Plaintiff	)	
	)	**Washington Superior Court**
v.	)	**Docket No. 570-9-14 Wncv**
	)	
MATTHEW TERRY,	)	
Defendant	)	

ORDER AND JUDGMENT BY DEFAULT

This is an action for enforcement under the Vermont Consumer Protection Act under, 9 V.S.A. ch. 63 ("the Act") against Matthew Terry ("Defendant"). Defendant is a nonresident and was served with a Summons and Complaint pursuant to Vermont Rule of Civil Procedure 5 on September 6, 2014. Proof of service has been filed with the Court. Defendant has not appeared in this case. The State now seeks a Rule 55(b) default judgment and affirmative relief.

This order is granted based upon the law and facts cited by the State of Vermont in its Motion for Default Judgment, including the accompanying affidavits.

Order

The State of Vermont's Motion for Default Judgment is GRANTED.

It is ORDERED and ADJUDGED, pursuant to Rule 55(b)(3) that:

I. Injunctive Relief

a. Defendant is enjoined from engaging, directly or through any third party, in any door-to-door sale of meat in the State of Vermont until:

i. Defendant demonstrates to the Attorney General that he has fully paid all amounts owed to consumers and the State pursuant to Sections II and III of this Order.

ii. Defendant obtains a valid meat and poultry products license pursuant to 6 V.S.A. § 3306 and provides a copy of the same to the Attorney General.

iii. Defendant is registered pursuant to 11 V.S.A. § 1621 if he is going to be doing business under any name other than his own and provides a copy of any registration to the Attorney General.

iv. Defendant has received a certificate of authority to transact business in Vermont pursuant to 11A V.S.A. § 15.01 if transacting business as a corporation and provides a copy of any registration to the Attorney General.

v. Defendant obtains a mobile phone number and provides that number to the Attorney General, such that consumers or the Attorney General will be able to reach him during a regular work week and, if he is not immediately available, the caller will be able to leave him a message. Should the Defendant change his mobile phone number, he shall provide the new phone number to the Attorney General.

vi. Defendant provides the Attorney General with a copy of his business address, and, should this address change, he shall provide the new address to the Attorney General within 30 days of that change.

vii. Defendant provides the Attorney General with a copy of the receipt Defendant will provide to consumers, including all disclosures required by the subsection (b)(i)-(ii).

b. Defendant is enjoined from engaging, directly or through any third party, in any door-to-door sale of meat in the State of Vermont unless:

i. Defendant strictly complies with the Vermont Consumer Protection Act, 9 V.S.A. ch. 63, and regulations enacted under the Consumer Protection Act, including but not limited to the requirements relating to the provision of a three-day right to cancel for home solicitation (door-to-door) sales.

Specifically, the Defendant must provide two written disclosures of the right to cancel to each Vermont consumer. First, a short-form statement is required in immediate proximity to the space reserved for a consumer signature on a contract or on the front page of the receipt if no contract is entered into. Under 9 V.S.A. § 2454(b)(2), this disclosure must be in substantially the following form:

> **You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See attached notice of cancellation for an explanation of this right.**

Second, the "attached notice of cancellation" referred to above, must be attached to the contract or receipt and easily detachable. It must also contain the following title and five paragraphs of text printed in not less than ten point boldface type, as prescribed by 9 V.S.A. § 2454(b)(2)(A):

NOTICE OF CANCELLATION

[Date of Transaction]

> **You may cancel this transaction without any penalty or obligation, within three business days from the above date.**
>
> **If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.**
>
> **If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.**

If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Matthew Terry at [address of Matthew Terry's place of business] no later than midnight of the third business day following the above date.

ii. Prior to accepting payment for any door-to-door sale of meat in the State of Vermont, Defendant discloses to the consumer both orally and in writing on the consumer's receipt (1) each type of meat that the consumer purchased; (2) the total weight of each type of meat; (3) the price per pound paid for each type of meat, and (4) a valid telephone number at which the consumer can contact Defendant.

iii. Defendant maintains the license, registrations, and mobile phone contact required by subsections (a)(ii)-(v).

II. Restitution

Defendant shall refund ~~all payments made by~~ to the Vermont consumers identified below the amounts specified. Plaintiff is not precluded from seeking this remedy regarding both past and future transactions. ~~who have previously complained to the Attorney General's Office, as well as any consumers who, within thirty (30) days of entry of this Order complain concerning Defendant's door-to-door sale of meat. The amount of monies to be refunded shall be the amount paid by each such consumer to Defendant for meat ordered following a door-to-door solicitation.~~ MWT

The amounts described in the preceding paragraph shall be paid by Defendant within thirty (30) days of ~~the entry~~ service on Defendant of this Order, or, ~~for subsequent consumer complaints, within thirty (30) days of Defendant's receipt of notice of such a subsequent complaint. These payments will include the following:~~ MWT

Consumer Name	Restitution Amount
Connie Roy	$399.00
Pricilla White	$1,464.00
Tom Cozzie	$349.00
Joyce Beaudin	$1,524.00
Patricia LaFrance	$600.00
Joyce McCuin	$200.00
Chreston Rabtoy	$498.00

Defendant shall send to the Attorney General copies of checks indicating the payments made pursuant to this section.

III. Penalties and Payments to the State

Defendant, no later than thirty (30) days after entry of this Order, shall pay to the State of Vermont civil penalties under 9 V.S.A. § 2458(b) in the amount of $10,000 (ten thousand dollars).

SO ORDERED.

DATED at Montpelier, Vermont this 13th day of March, 2015.

Mary Miles Teachout

Superior Court Judge

STATE OF VERMONT
SUPERIOR COURT 2015 SEP 22 P 2:43
WASHINGTON UNIT

In Re: Manor Resources, LLC) CIVIL DIVISION
) Docket No. 603-9-15 Wncv

ASSURANCE OF DISCONTINUANCE

The State of Vermont, by and through Vermont Attorney General William H. Sorrell, and Manor Resources, LLC, d/b/a Turbo Title Loan ("Manor Resources" or "Respondent"), hereby enter into this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. § 2459.

Background

Manor Resources

1. Manor Resources, LLC, d/b/a Turbo Title Loan is an Illinois limited liability company with offices located at 1440 N. Dayton Street, Suite 200 Chicago, IL 60642. Since 2005, Respondent has engaged in the business of making short-term, small dollar consumer loans.

Regulatory Framework

2. Pursuant to 9 V.S.A. § 2481w, it is an unfair and deceptive act and practice in commerce for a lender to solicit or make consumer loans unless the lender is in compliance with all provisions of 8 V.S.A. Chapter 73.
3. Chapter 73 of Title 8 requires all lenders to obtain a state license from the Department of Financial Regulation. 8 V.S.A. § 2201.
4. Any loan made in knowing and willful violation of the requirement that an entity engaged in the business of making loans of money or credit without first obtaining a

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license shall be void and the lender shall have no right to collect or receive any principal, interest, or charges. 8 V.S.A. § 2215(d)(1).

5. A lender which makes a loan made without a license, but without a finding of knowing and willful violation of the requirement of a license, shall have no right to collect or receive any interest or charges whatsoever, but shall have a right to collect and receive principal. 8 V.S.A. § 2215(d)(1).
6. Chapter 4 of Title 9 limits the amount of interest and other consideration a lender may charge to between 12-24% per annum, depending on the type of loan. *See* 9 V.S.A. § 41a, 8 V.S.A. § 2233.
7. A lender that charges interest plus other consideration in excess of the allowable rates forfeits the right to collect any interest or charges whatsoever, and is entitled to collect only half the principal. *See* 9 V.S.A. § 50(b).
8. Violations of the Consumer Protection Act are subject to a civil penalty of up to $10,000.00 per violation. 9 V.S.A. § 2458(b)(1). Each day that a violation continues is a separate violation.

Respondent's Consumer Loan Practices

9. Manor Resources owns and operates the websites www.turbotitleloan.com and www.turbotitleloan.ca, by which it markets loans to consumers in various states, including to consumers in Vermont.
10. In order to fund and ensure repayment of its loans, Respondent requires borrowers to assign their vehicle title as security for the loans.
11. Respondent has offered and made vehicle title loans to Vermont consumers in amounts that range from $1,500-$6,000. The annualized interest rate of Respondent's loans

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exceeded the interest rates allowed by Vermont law, and typically exceeded 100% per annum.

12. Since March 2010, Respondent has funded six vehicle title loans to five Vermont consumers, for a total of $16,713 in principal funded. In connection with these loans, Respondent has collected $16,043 in interest and fees from those consumers.

13. As of June 2013, Respondent ceased lending to Vermont consumers.

14. Respondent admits the truth of the facts described in ¶¶ 1; 9-13.

The State's Allegations

15. The Vermont Attorney General's Office alleges the following violations of the Consumer Protection Act and Vermont law:

    a. The making of loans to Vermont consumers without a state license under Title 8, Chapter 73 violated 9 V.S.A. § 2481w(b); and

    b. The charging of interest and other compensation in excess of Vermont's legal rates violated 9 V.S.A. § 41a.

16. The State of Vermont alleges that the above behavior constitutes unfair and deceptive acts and practices under 9 V.S.A. § 2453.

Assurances and Relief

In lieu of instituting an action or litigation, the Attorney General and Respondent are willing to accept this AOD pursuant to 9 V.S.A. § 2459 as a just resolution of this matter, and the parties agree as follows:

Injunctive Relief

17. Prior to doing any business in Vermont involving a loan as defined in Vermont law, Respondent shall comply with the following sections of the Vermont Statutes

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

Annotated: Title 8, Chapter 73 (Licensed Lenders statutes); Title 9, Chapter 4 (Interest statutes); and Title 9, Chapter 63 (Consumer Protection statutes).

18. Manor Resources shall immediately cease advertising, offering, funding, or collecting upon any loan to Vermont consumers, unless and until Respondent has obtained the proper state license under Title 8, Chapter 73, and has complied with all other lending requirements. In furtherance of this provision, Manor Resources shall not purchase advertising for loans in Vermont, including television and internet ads, unless Manor Resources complies with ¶¶ 17-18.

19. Manor Resources shall cancel all current, delinquent, defaulted, charged-off, or outstanding lending transactions which it entered into with Vermont consumers, and shall not undertake any efforts to collect on these transactions. Manor Resources shall not contract with any third-party debt collectors regarding these transactions, nor sell, or transfer, any obligations arguably due based upon these transactions. Manor Resources shall not make any negative reports to any credit bureau, check clearinghouse, or other related service with respect to these transactions. If any negative reports to any such credit bureau or related service with respect to a Vermont consumer have been made, Respondent, or the responsible party for Manor Resources, shall, within thirty (30) days of the entry of this AOD, request that those negative references be removed.

20. If any consumer complains to the Attorney General or to Manor Resources about a loan transaction entered into with Respondent, Manor Resources shall review the complaint within ten days of receipt, and take actions consistent with this AOD, including cancelling any outstanding loan, removing any negative credit reporting, and refunding all interest and fees. If Manor Resources disputes any complaint, Respondent shall send

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a written explanation to the consumer, and shall include a statement that the consumer may contact the Consumer Assistance Program at (802) 656-3183 or consumer@uvm.edu, if the consumer disagrees.

Payments to Consumers

21. Within 60 days of signing this AOD, Manor Resources shall repay all interest and fees that it collected from Vermont consumers, for a total of $16,043 paid to five consumers. Respondent shall send a letter from the Attorney General (Exhibit A), and the consumer's payment, in an envelope provided by the Attorney General's Office. Each consumer check shall have a deposit deadline of 90 days from the date of issuance.
22. Within 75 days of signing this AOD, Manor Resources shall send to the Attorney General's Office a list (in electronic Excel spreadsheet) of all consumers to whom payments were made, including the consumer name (which list shall set out the first and last names of the consumers in distinct fields or columns), contact information, and the amount paid.
23. In the event that Manor Resources is not able to locate consumers to whom any payments are owed after all reasonable efforts to do so have been taken and no later than 120 days after signing this AOD, Respondent shall mail to the Attorney General's Office:
    a. A single check, payable to "Vermont State Treasurer" in the total dollar amount of all outstanding amounts and all checks that were returned as undeliverable or that went uncashed, to be treated as unclaimed funds, under Vermont's unclaimed property statute, Title 17, Chapter 14;

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b. A list, in electronic Excel format, of the consumers whose checks were returned or were not cashed (which list shall set out the first and last names of the consumers in distinct fields or columns), and for each such consumer, the last known address and dollar amount due; and

c. The company's corporate address and federal tax identification number.

Payment to the State of Vermont

24. Manor Resources shall pay to the State of Vermont $12,000 in civil penalties and costs, as follows: four thousand dollars ($4,000) within 30 days of signing this AOD; four thousand dollars ($4,000) within 60 days of signing this AOD; and the final four thousand dollars ($4,000) within 90 days of signing this AOD. All payments shall be made to the "State of Vermont" and shall be sent to the Vermont Attorney General's Office at the following address: Justin Kolber, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

Other Terms

25. The parties have consented to the entry of this AOD for the purpose of settlement only and agree that it does not constitute an admission of the violation of any law, rule, or regulation.

26. Nothing in this AOD shall be construed to limit Manor Resources' ability or right to assert any legal, factual, or equitable defenses, including jurisdictional defenses, in any pending or future proceeding of any kind, except with respect to enforcement of this AOD by the Attorney General.

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27. Acceptance of this AOD by the Vermont Attorney General's Office shall not be deemed approval by the Attorney General of any practices or procedures of Respondent not required by this AOD, and Respondent shall make no representation to the contrary.

28. This AOD and all terms therein shall be binding on Manor Resources, all of its affiliate companies doing business in Vermont, its officers, directors, owners, managers, successors and assigns. All current and future officers and directors of Manor Resources further agree to be personally bound by ¶¶ 17-18 of this AOD in both their official and individual capacity, and shall not undertake any role, personally or with any other company or entity (past, present, or future), in making loans in Vermont unless they comply with ¶¶ 17-18 of this AOD.

29. The undersigned authorized agent of Manor Resources shall promptly take reasonable steps to ensure that copies of this document are provided to all officers, directors, owners and managers of the company, and all of its affiliate companies doing business in Vermont.

30. This AOD resolves all existing claims the State of Vermont may have against Manor Resources stemming from the conduct described in this document.

31. Nothing in this AOD waives the right of any consumer to pursue claims stemming from the conduct described in this document; excepting, however, any consumer who accepts payment under the terms of this AOD shall waive any such claim against Manor Resources.

32. The Superior Court of the State of Vermont, Washington Unit, shall have Jurisdiction over this AOD and the parties hereto for the purpose of enabling any of the parties hereto to apply to this Court at any time for orders and directions as may be necessary

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or appropriate to carry out or construe this AOD, to modify or terminate any of its provisions, to enforce compliance, and to punish violations of its provisions.

33. All notice related to this AOD shall be given to Manor Resources at:

    Mark Pollack, Paul Hastings, LLP, 71 South Wacker Drive, Suite 4500, Chicago, IL 60606

34. Manor Resources shall notify the Attorney General of any change of business name or address within 20 business days.

Violations and Stipulated Penalties

35. If the Superior Court of the State of Vermont, Washington Unit enters an order finding Manor Resources to be in violation of this AOD, then the parties agree that penalties to be assessed by the Court for each act in violation of this Assurance of Discontinuance shall be $10,000. For purposes of this paragraph, the term "each act" shall mean: (a) each instance of soliciting, making, or collecting a loan in Vermont without a state license; and (b) each instance of charging an interest rate above the legal rates allowed by 9 V.S.A. § 41a.

36. In the event that the Attorney General alleges that Respondent has violated any of the terms of this AOD, then the parties agree that the Attorney General shall be entitled to bring any other matters to the Court's attention involving potential violations of law by Respondent, and that the Attorney General shall not have waived any of its rights to assert and prove any violations of law by Respondent.

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DATED at Montpelier, Vermont this 18th day of September, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____
Justin E. Kolber
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
(802) 828-5620
Justin.kolber@vermont.gov

DATED at Chicago, Illinois this 21st day of September, 2015.

MANOR RESOURCES LLC

By: _____
Its Authorized Agent

Kieran L. Noonan Sole Manager
Name and Title of Authorized Agent

APPROVED AS TO FORM:

_____
Justin E. Kolber
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609

For the State of Vermont

_____
Mark Pollack, Esq.
Paul Hastings LLP
71 South Wacker Drive, Suite 4500
Chicago, IL 60606

For Manor Resources, LLC

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

Exhibit A

November 2015

Re: Manor Resources, LLC settlement

Dear Vermont consumer:

You have been identified as a consumer who took out a loan from Manor Resources, LLC, doing business as "Turbo Title Loans" between 2010 and 2013. As a result of a settlement with the Attorney General's Office, Manor Resources is providing the enclosed payment to refund all interest and fees that you paid in connection with your loan.

If you accept this payment, you will waive whatever rights, if any, that you may possess to pursue an individual claim against Manor Resources in connection with your loan. You may decline to accept the check by returning or mailing it to Manor Resources, first class postage, within 90 days of the date of this letter, to the following address:

Manor Resources, LLC
1440 N. Dayton Street, Suite 200
Chicago, IL 60642

For more information on Vermont consumer protection law or the terms of this settlement, please visit the Attorney General's Office website at www.ago.vermont.gov or call the Consumer Assistance Program at 800-649-2424 or (802) 656-3183.

Sincerely,

William H. Sorrell
Attorney General

Enc.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2015 MAY 12 A 8:17

FILED

IN RE: THIRD-PARTY CHARGES ON MOBILE TELEPHONE BILLS	)	CIVIL DIVISION Docket No. 301-5-15 Wncv

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Cellco Partnership d/b/a Verizon Wireless ("Carrier" or "Verizon") hereby agree to this Assurance of Discontinuance ("Assurance") pursuant to 9 V.S.A. § 2459.

I. BACKGROUND

1. The Attorneys General are responsible for enforcing their respective unfair and deceptive acts and practices laws and other consumer protection laws in their respective states and commonwealths.

2. Carrier is a partnership organized under the laws of the state of Delaware with its principal place of business located at One Verizon Way, Basking Ridge, New Jersey, 07920. Carrier is a leading provider of mobile telephone services.

3. The Attorneys General allege that the practice of placing charges on Consumers' mobile telephone bills that have not been authorized by Consumers, known as "cramming," is a major national problem.

4. The Attorneys General allege that Consumers who have been "crammed" often complain about charges, typically $9.99 per month, for "premium" text message subscription services such as horoscopes, trivia, and sports scores that they have never heard of or requested.

5. The Attorneys General allege that cramming occurs when Carrier places charges on Consumers' mobile telephone bills for Third-Party Products without Consumers' knowledge and/or authorization.

6. The Attorneys General allege that many Consumers are unaware that their mobile telephones can be used to make payments for Third-Party Products, and that Consumers often pay Unauthorized Third-Party Charges without the knowledge that the charges have been placed on their mobile telephone bills.

7. Although Carrier denies any liability based upon the allegations above, in order to resolve this dispute, Carrier has agreed to the terms of this Assurance.

II. DEFINITIONS

8. The following definitions shall apply for purposes of this Assurance:

   a. "Account Holder" means any individual or entity who is or was responsible for paying all charges associated with all lines on that individual's or entity's mobile phone account with Carrier.

   b. "Attorneys General"[1] means the Attorneys General, or their designees, of the Participating States.

   c. "Bill" means a Consumer's mobile telephone bill or prepaid mobile account, as applicable.

   d. "Block" means a restriction placed on a Consumer's account that prevents one or more lines from being used to purchase Third-Party Products and from being billed for Third-Party Charges on the Consumer's Bill.

   e. A statement is "Clear and Conspicuous" if it is disclosed in such size, color, contrast, location, duration, and/or audibility that it is readily noticeable, readable, understandable, and/or capable of being heard. A statement may not contradict or be inconsistent with any other information with which it is presented. If a statement materially modifies, explains or clarifies other information with which it is presented, then the statement must be presented in proximity to the information it modifies, explains or clarifies, in a manner that is readily noticeable, readable, and understandable, and not obscured in any manner. In addition:

      i. an audio disclosure must be delivered in a volume and cadence sufficient for a Consumer to hear and comprehend it;

[1] "Attorney General" means and "Attorneys General" shall include, as it relates to Georgia, the Administrator of the Fair Business Practices Act of 1975 ("FBPA"), appointed pursuant to O.C.G.A. 10-1-395, who is statutorily authorized to enforce FBPA. With respect to Utah, the term "Attorney General" means counsel to the Utah Division of Consumer Protection, the state agency that is statutorily authorized with administering and enforcing the statutes listed in Utah Code Ann. § 13-2-6, including the Utah Consumer Sales Practices Act, Utah Code Ann. § 13-11-1, *et seq.* Hawaii is represented by its Office of Consumer Protection, an agency that is not part of the state Attorney General's Office, but which is statutorily authorized to undertake consumer protection functions, including legal representation of the State of Hawaii. With regard to New Jersey, the Attorney General, pursuant to *N.J.S.A* 52:17A-4, is charged with the responsibility of enforcing the Consumer Fraud Act *N.J.S.A.*56:8-1 *et seq.* ("CFA"). The Director of the New Jersey Division of Consumer Affairs, pursuant to *N.J.S.A.* 52:17B-124, is charged with the responsibility of administering the CFA. References to "Attorneys General," "parties," or "States," with respect to New Jersey, include the Director of the New Jersey Division of Consumer affairs. Connecticut is represented by the Connecticut Attorney General, acting as the authorized representative of the Connecticut Commissioner of Consumer Protection.

ii. a television or internet disclosure must be of a type size, location, and shade, and remain on the screen for a duration sufficient for a Consumer to read and comprehend it based on the medium being used;

iii. a disclosure in a print advertisement or promotional material, including, but without limitation, a point of sale display or brochure materials directed to a Consumer, must appear in a type size, contrast, and location sufficient for a Consumer to read and comprehend it; and

iv. a text message disclosure must be of a type size and format, to the extent controlled by the sender, so that a Consumer can notice and read it on their mobile devices, and hyperlinks included as part of the text message should be clearly labeled or described.

f. "Commercial PSMS" means the use of PSMS to bill for Third-Party Products.

g. "Consumer" means a current or former subscriber or purchaser of Third-Party Products for which Third-Party Charges are or were placed on the Consumer's Bill, whether that person is the individual responsible for paying the Bill or has a device that is billed to a shared account, and is a resident of one of the Participating States. "Consumer" does not include any business entity or any state, federal, local, or other governmental entity, if (1) the business entity or government entity, and not the employees or individuals working for or with that business entity or government entity, is solely liable to Carrier for payment of all charges billed on that account, and (2) the ability to process Third-Party Charges through that account is not available unless the business entity or government entity affirmatively requests that certain or all mobile devices be provided the ability to authorize placement of such Third-Party Charges.

h. "Effective Date" means the date that the Stipulated Final Judgment and Order in the case captioned Consumer Financial Protection Bureau v. Cellco Partnership d/b/a Verizon Wireless ("CFPB Stipulated Order") is entered by the District Court for the District of New Jersey. Provided, however, this agreement is binding upon execution.

i. "Express Informed Consent" means an affirmative act or statement giving unambiguous assent to be charged for the purchase of a Third-Party Product that is made by a Consumer after being provided a Clear and Conspicuous disclosure of material facts.

j. "Participating States" means the following states and commonwealths: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New

Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming, as well as the District of Columbia.

k. "Premium Short Messaging Service," or "PSMS," means a service that distributes paid content to a Consumer using the Short Message Service ("SMS") and Multimedia Messaging Service ("MMS") communication protocols via messages that are routed using a Short Code, resulting in a Third-Party Charge.

l. "Short Code" means a common code leased from the CTIA Common Short Code Administration that is composed of a set of numbers, usually 4 to 6 digits, to and from which text messages can be sent and received using a mobile telephone.

m. "Third Party" means an entity or entities, other than Carrier, that provides a Third-Party Product to Consumers for which billing is made through Carrier's Bills.

n. "Third-Party Charge" means a charge for the purchase of a Third-Party Product placed on a Consumer's Bill.

o. "Third-Party Product" means content or services offered or sold by a Third Party that can be used on a mobile device, for which charges are placed on the Consumer's Bill or deducted from a prepaid account by Verizon. "Third-Party Product" excludes contributions to charities, candidates for public office, political action committees, campaign committees, campaigns involving a ballot measure, or other similar contributions. "Third-Party Product" also excludes white label products and co-branded or co-marketed products where goods and services are offered or sold jointly and cooperatively by Verizon and a Third Party, where the charge for such goods or services is placed on the Consumer's Bill; and where Verizon is responsible for accepting complaints, processing refunds, and other communications with the Consumer regarding the charge. "Third-Party Product" also excludes equipment protection services, including mobile device insurance and extended warranty offerings.

p. "Unauthorized Third-Party Charge" means a Third-Party Charge placed on a Consumer's Bill without the Consumer's Express Informed Consent.

III. APPLICATION

9. The provisions of this Assurance shall apply to Carrier and its officers, employees, agents, successors, assignees, merged or acquired entities, wholly-owned subsidiaries, and all other persons or entities acting in concert or participation with

any of them, who receive actual notice of this Assurance, regarding Carrier's placement of Third-Party Charges in the Participating States.

IV. ASSURANCE TERMS

10. Commercial PSMS: Carrier shall not make available to Consumers the option to purchase Third-Party Products through Commercial PSMS and shall not bill charges for Commercial PSMS.

11. Authorization of Third-Party Charges: Carrier shall obtain Express Informed Consent before a Consumer is billed for any Third-Party Charge. The Consumer's Express Informed Consent may be provided to Carrier or to another person or entity obligated to Carrier to obtain such consent. Carrier or such other person or entity shall retain sufficient information to allow such consent to be verified. If Express Informed Consent is not directly collected by Carrier, Carrier shall implement reasonable policies and practices[2] to confirm Express Informed Consent shall be appropriately collected and documented by the person or entity obligated to do so, and shall monitor and enforce those policies and practices to confirm Express Informed Consent is appropriately collected and documented, and where Express Informed Consent has not been appropriately collected and documented, shall require remedial action (which may include, for example, suspension, proactive credits, or retraining) or cease placing such charges on Consumers' Bills.

12. Purchase Confirmation for Third-Party Charges: Beginning no later than July 1, 2015, Carrier shall implement a system whereby the Consumer (and, for multiline accounts, the Account Holder, if designated) will be sent a purchase confirmation, separate from the Bill, of every Third-Party Charge, including recurring charges, that will appear on his or her Bill. Such purchase confirmation shall be sent within a reasonable time following the purchase of a Third-Party Product or the recurrence of a Third-Party Charge, and shall identify Blocking options that Carrier makes available to Consumers and/or provide access to such information. For multiline accounts, Carrier may provide the Account Holder the option to elect not to receive such purchase confirmations for purchases made on other lines.

13. Information on Blocking: Beginning no later than July 1, 2015, Carrier shall provide a Clear and Conspicuous disclosure about Third-Party Charges and Blocking options in informational material provided to Consumers at or near the time of subscribing to or activating service, to the extent Third-Party Charges are offered and available with the service, and which is provided in a context separate from the actual subscriber agreement document. Such disclosure shall include or provide access to a description of Third-Party Charges, how Third-Party Charges appear on Bills, and

[2] For purposes of this Paragraph, for charges incurred through operating system storefronts, such reasonable policies and practices may, for example, consist of Carrier or its agents making a statistically valid random sample of purchases to demonstrate whether the storefront is collecting Express Informed Consent consistent with this Assurance. Such policies and practices shall be fully implemented by Verizon no later than July 1, 2015.

options available to Consumers to Block Third-Party Charges. Consumers shall not incur any data or text charges for receiving or accessing the information discussed in this Paragraph.

14. Billing Information and Format: No later than September 1, 2015:

a. All Third-Party Charges shall be presented in a dedicated section of the Consumer's Bill (or in a dedicated section for each mobile line on the account, if the Bill sets forth charges by each line) and shall be set forth in such a manner as to distinguish the Third-Party Charges contained therein from Carrier's service, usage and other charges. This section of the Consumer's Bill shall contain a heading that Clearly and Conspicuously identifies that the charges are for Third-Party Products; and

b. The Third-Party Charge billing section required by this Paragraph 14 shall include a Clear and Conspicuous disclosure of a Consumer's ability to Block Third-Party Charges, including contact and/or access information that Consumers may use to initiate such Blocking. If Carrier includes a Third-Party Charge billing section for each mobile line on the account, the Carrier shall have the option to include the disclosure of a Consumer's ability to Block Third-Party Charges in only the first Third-Party Charge billing section that appears on the Bill, rather than in all Third-Party Charge billing sections.

15. Consumer Contacts: When a Consumer contacts Carrier with regard to a Third-Party Charge incurred after the Effective Date, or a Block, Carrier shall:

a. provide the Consumer with access to a customer service representative who has access to the Consumer's account information for at least the prior twelve (12) months;

b. beginning no later than September 15, 2015, for any Consumer who claims he or she did not authorize a Third-Party Charge incurred after the Effective Date:

i. For disputed Third-Party Charges (either a single charge or recurring charge) initially incurred within the prior twelve (12) months, either (1) provide the Consumer a full refund or credit of any and all disputed Third-Party Charges not previously credited or refunded to the Consumer, or (2) deny a refund if Carrier has information demonstrating that the Consumer provided Express Informed Consent to the Third-Party Charge, offers to provide such information to the Consumer, and, upon request, provides such information to the Consumer.

ii. For disputed Third-Party Charges (either a single charge or a recurring charge) initially incurred more than twelve (12) months prior to when the Consumer contacted Carrier, within 10 business

days from receipt of the claim, either (1) provide the Consumer a full refund or credit of any and all disputed Third-Party Charges not previously credited or refunded to the Consumer, or (2) deny a refund if Carrier has information demonstrating that the Consumer provided Express Informed Consent to the Third-Party Charge, offers to provide such information to the Consumer, and, upon request, provides such information to the Consumer. This subparagraph (b)(ii) shall expire four (4) years from the Effective Date.

c. if the Consumer claims that he or she did not authorize a Third-Party Charge, and the Consumer is a current customer of Carrier, offer the Consumer the opportunity to Block future Third-Party Charges;

d. not require the Consumer to first contact the Third Party in order to receive a refund/credit of any claimed Unauthorized Third-Party Charge, although this subparagraph does not prohibit asking the Consumer if he or she has contacted the Third Party and/or if the Consumer has already received a credit or refund from the Third Party for some or all of the claimed Unauthorized Third-Party Charge.

16. Training: For six (6) years after the Effective Date, Carrier shall conduct a training program with its customer service representatives, at least annually, to administer the requirements of this Assurance. To the extent that Carrier no longer permits Third-Party Charges on Consumers' Bills, Carrier shall conduct one training program within three (3) months of such cessation and shall have no further obligation to conduct training programs under this Paragraph so long as Carrier does not permit Third-Party Charges on Consumers' Bills.

17. Cooperation with Attorney General: Carrier shall designate a contact to whom the Attorney General may provide information regarding any concerns about Unauthorized Third-Party Charges, and from whom the Attorney General may request information and assistance in investigations. The information and assistance shall include information regarding the identity of Third Parties placing charges on Bills, revenue from such Third-Party Charges, refunds provided relating to such Third-Party Charges, any audits conducted of such Third Parties (to the extent not protected by attorney-client privilege or attorney work product privilege), and any applications or other information provided by Third Parties, to the extent that Carrier has access to such information. Consistent with Carrier's legal obligations to safeguard the confidential or proprietary information of Consumers and Third Parties, Carrier shall provide such information within a reasonable period and shall cooperate in good faith with such requests, including investigating any reports of Unauthorized Third-Party Charges the Carrier receives from the Attorney General.

18. Information Maintained by Carrier: Carrier shall implement systems that allow it to maintain and report the refund/credit information created pursuant to Paragraph

15. Carrier shall maintain such records for at least five (5) years from the date of their creation. Carrier's obligation to maintain records for five (5) years from the date of their creation shall continue after Carrier's obligation to provide the Quarterly Reports described in Paragraph 19 expires.

19. Information Sharing with Attorneys General:

a. From September 15, 2015, Carrier shall, for five (5) years, provide a report to the Office of the Vermont Attorney General every three (3) months ("Quarterly Reports") documenting its compliance with the requirements of Paragraph 15. Without limiting Carrier's obligations under Paragraph 15, the quarterly reports shall include the following:

i. the total number of Consumer claims for Unauthorized Third-Party Charges for which Carrier has demonstrated that the purchaser provided Express Informed Consent or for which Carrier has demonstrated that the claim was untimely under subparagraph 15(b);

ii. all refunds/credits provided, in dollars, due to Carrier's inability to provide proof of Express Informed Consent in response to such a claim by Consumers;

iii. all other refunds/credits provided in response to Consumer claims for Unauthorized Third-Party Charges, in dollars;

iv. for the claims and refunds/credits identified under subparagraphs 19(a)(i), (ii), and (iii), above, the Third-Party Product, the Third Party, and the entity responsible for ensuring Express Informed Consent is obtained from the Consumer, if different than Carrier; and

v. a description of any remedial action taken by Carrier against Third Parties for Unauthorized Third-Party Charges, including, but not limited to, any actions taken to limit or terminate a Third Party's ability to place Third-Party Charges on a Consumer's Bill. The description of any remedial action provided under this subparagraph shall include: (a) the name and contact information of such Third Party, (b) a description of the Third-Party Product in connection with which the remedial action that was taken, (c) an indication of whether the Third-Party Product was suspended or terminated (and if the Third-Party Product was suspended, Carrier shall include the date or conditions for reinstatement), and (d) the reason for the remedial action.

b. Information in Quarterly Reports shall be presented on a national basis and provided electronically in a format to be agreed to by the parties. Quarterly Reports shall be provided within thirty (30) days of the end of each calendar quarter.

V. MONETARY PAYMENT

20. Carrier shall pay Sixteen Million Dollars ($16,000,000.00) to the Participating States. For purposes of this Assurance, Carrier shall pay $947,371.83 to Vermont. Payment shall be made no later than thirty (30) days after the Effective Date. Said payment shall be used by the Vermont Attorney General for purposes that may include, but are not limited to, attorneys' fees, and other costs of investigation and litigation, or be placed in, or applied to, any consumer protection law enforcement fund, including future consumer protection or privacy enforcement, consumer education, litigation or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the Vermont Attorney General.

21. Within one hundred and twenty (120) days of the conclusion of the Redress Period described by the Consumer Redress Plan referred to in Section III of the CFPB Stipulated Order resolving the concurrent CFPB investigation of Verizon regarding Unauthorized Third-Party Charges, Carrier shall provide the Attorneys General with a list containing the following information for each of the Participating States: (a) the number of claims submitted to the Consumer redress program by Consumers residing in the Participating State; (b) the number of claims submitted to the Consumer redress program by Consumers residing in the Participating State for which Carrier made redress; and (c) the total amount of redress given to Consumers residing in the Participating State pursuant to the Consumer redress program.

22. The Participating States and Carrier recognize that, in addition to the payment provided under Paragraph 20, Carrier has agreed to pay Four Million Dollars ($4,000,000.00) to the Federal Communications Commission ("FCC") to resolve the concurrent FCC investigation of Verizon regarding Unauthorized Third-Party Charges.

23. The Participating States and Carrier recognize that Carrier has agreed to the Consumer Redress Plan referred to in Section III of the CFPB Stipulated Order, which sets forth a process for providing Consumers with redress of up to Seventy Million Dollars ($70,000,000.00). This Assurance does not alter, amend, replace, or expand the Consumer redress program set forth in Section III of the CFPB Stipulated Order. To the extent residual monies remain after the cessation of the Redress Period, the Participating States will collaborate with the FCC and CFPB in determining how to dispose of the funds, including whether additional restitution is practicable. To the extent the CFPB transfers any residual amounts to the Participating States following the cessation of the Redress Period, the Participating States shall use such money in the manner and for the purposes identified in Paragraph 20 above.

24. As more fully set forth in the CFPB Stipulated Order, Carrier shall make payments, credits, and debt forgiveness to the Participating States, CFPB, FCC, and Consumers in an aggregate amount of no more than Ninety Million Dollars ($90,000,000.00).

VI. RELEASE

25. Effective upon full payment of the amount due under Paragraph 20, the Attorney General releases and discharges Carrier and its officers, employees, agents, successors, assignees, affiliates, merged or acquired entities, parent or controlling entities, and subsidiaries from any and all claims, suits, demands, damages, restitution, penalties, fines, actions, and other causes of action that the Attorney General could have brought under 9 V.S.A. §§ 2453, 2458, both known and unknown, arising directly or indirectly out of or related to billing, charging, disclosures, policies, practices, actions or omissions related to PSMS or Unauthorized Third-Party Charges that were incurred prior to the Effective Date. In the case of affiliates, acquired entities, or subsidiaries, this release only covers conduct occurring during the time such entities are or were affiliates or subsidiaries of Carrier. Nothing contained in this Paragraph shall be construed to limit the ability of the Attorney General to enforce the obligations that Carrier and its officers, agents, servants and employees acting on its behalf, have under this Assurance.

26. Nothing in this Assurance shall be construed to create, waive, or limit any private right of action.

27. Notwithstanding any term of this Assurance, any and all of the following forms of liability are specifically reserved and excluded from the release in Paragraph 25 as to any entity or person, including Carrier:

    a. any criminal liability that any person or entity, including Carrier, has or may have to Vermont;

    b. any civil or administrative liability that any person or entity, including Carrier, has or may have to Vermont under any statute, regulation or rule not expressly covered by the release in Paragraph 25 above, including but not limited to, any and all of the following claims:

        i. state or federal antitrust violations;

        ii. state or federal securities violations; and

        iii. state or federal tax claims.

VII. GENERAL PROVISIONS

28. The parties understand and agree that this is a compromise settlement of disputed issues and that the consideration for this Assurance shall not be deemed or construed as: (a) an admission of the truth or falsity of any claims or allegations heretofore made or any potential claims; (b) an admission by Carrier that it has violated or breached any law, statute, regulation, term, provision, covenant or obligation of any agreement; or (c) an acknowledgement or admission by any of the parties of any duty, obligation, fault or liability whatsoever to any other party or to

any Third Party. This Assurance does not constitute a finding of law or fact, or any evidence supporting any such finding, by any court or agency that Carrier has engaged in any act or practice declared unlawful by any laws, rules, or regulations of any state. Carrier denies any liability or violation of law and enters into this Assurance without any admission of liability. It is the intent of the parties that this Assurance shall not be used as evidence or precedent in any action or proceeding, except an action to enforce this Assurance.

29. Unless otherwise specifically provided, all actions required pursuant to this Assurance shall commence as of the Effective Date. In the event that Carrier acquires any new entity, Carrier shall take immediate steps to cease billing charges for all Commercial PSMS through such newly acquired entity. With respect to any such entities, Carrier shall provide Consumers with access to a customer service representative who shall have access to Consumers' account information related to Third-Party Charges for at least the prior twelve (12) months. If such information is not available, Carrier shall have twelve (12) months to come into compliance with Paragraph 15(a) with respect to such entities and, while coming into compliance, shall respond to Consumers' inquiries within ten (10) days using any available information. As to all other requirements contained in this Assurance, Carrier shall have a reasonable period of time, which in no event shall exceed twelve (12) months, in which to bring said entity into compliance with this Assurance and during that period, Carrier shall take reasonable steps to obtain Express Informed Consent before a Consumer is billed for any Third-Party Charge.

30. Nothing in this Assurance limits Carrier's right, at its sole discretion, to provide refunds or credits to Consumers in addition to what is required in this Assurance.

31. Nothing in any provision of this Assurance shall be read or construed to require Carrier (a) to share customer proprietary network information ("CPNI") with any person not legally entitled to receive CPNI; (b) to share customer information in such way that it would violate any applicable law or privacy policy; or (c) to grant more than one full refund for any single Unauthorized Third-Party Charge. Carrier shall not amend its privacy policy to excuse its compliance with the reporting, tracking, or other provisions of this Assurance related to the sharing of customer information unless required by law.

32. Carrier understands that the Attorney General may file and seek court approval of this Assurance. Should such an approval be obtained, the court shall retain jurisdiction over this Assurance for the purpose of enabling the parties to apply to the court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this Assurance. Neither party will object on the basis of jurisdiction to enforcement of this Assurance under this Paragraph.

33. As consideration for the relief agreed to herein, if the Attorney General of a Participating State determines that Carrier has failed to comply with any of the

terms of this Assurance, and if in the Attorney General's sole discretion the failure to comply does not threaten the health or safety of the citizens of the Participating State and/or does not create an emergency requiring immediate action, the Attorney General will notify Carrier in writing of such failure to comply and Carrier shall then have ten (10) business days from receipt of such written notice to provide a good faith written response to the Attorney General's determination. The response shall include an affidavit containing, at a minimum, either: (a) a statement explaining why Carrier believes it is in full compliance with the Assurance; or (b) a detailed explanation of how the alleged violation(s) occurred; and (i) a statement that the alleged breach has been addressed and how; or (ii) a statement that the alleged breach cannot be reasonably addressed within ten (10) business days from receipt of the notice, but (1) Carrier has begun to take corrective action to address the alleged breach; (2) Carrier is pursuing such corrective action with reasonable and due diligence; and (3) Carrier has provided the Attorney General with a detailed and reasonable timetable for addressing the alleged breach.

34. Nothing herein shall prevent the Attorney General from agreeing in writing to provide Carrier with additional time beyond the ten (10) business day period to respond to the notice provided under Paragraph 33.

35. Nothing herein shall be construed to exonerate any contempt or failure to comply with any provision of this Assurance after the date of its entry, to compromise the authority of the Attorney General to initiate a proceeding for any contempt or other sanctions for failure to comply, or to compromise the authority of a court to punish as contempt any violation of this Assurance. Further, nothing in this Paragraph shall be construed to limit the authority of the Attorney General to protect the interests of the Participating State or the people of the Participating State.

36. The Participating States represent that they will seek enforcement of the provisions of this Assurance with due regard to fairness.

37. Carrier shall designate one or more employees to act as the primary contact for the Attorney General for purposes of assisting the Attorney General in investigations. The contact employee(s) designated by Carrier pursuant to this Paragraph shall be capable of receiving and processing subpoenas, statutory investigative demands, or other legal process requesting information pertaining to the placement of Third-Party Charges on Consumers' Bills. Carrier shall provide the Attorney General with the name(s), address(es), telephone number(s), facsimile number(s) and electronic mail address(es) of each such employee.

38. This Assurance is intended to supplement, and does not supplant or in any way restrict, the Attorney General's subpoena power and/or investigative authority pursuant to applicable law.

39. This Assurance does not supplant or in any way restrict the Attorney General's powers to investigate the prevalence of Unauthorized Third-Party Charges or the

extent to which this Assurance has affected the prevalence of Unauthorized Third-Party Charges in his/her jurisdiction.

40. This Assurance does not supplant or in any way restrict Carrier's legal rights and ability to demand formal legal process to protect its Consumers' privacy rights and/or to protect Carrier from potential liability for disclosing or sharing such information without legal process.

41. The only persons with rights under this Assurance are the parties to the Assurance, namely Carrier and the Attorney General. No third party (including third parties that meet the definition in 8(m)) is entitled to claim rights under this Assurance and no provision of this Assurance is enforceable by any person or entity not a party to the Assurance. The agreement in this Assurance has no third-party beneficiaries.

42. This Assurance represents the full and complete terms of the settlement entered into by the parties hereto.

43. All parties participated in the drafting of this Assurance.

44. This Assurance may be executed in counterparts, and a facsimile or .pdf signature shall be deemed to be, and shall have the same force and effect as, an original signature.

45. All notices under this Assurance shall be provided to the following address via first-class or electronic mail:

Kate Whelley McCabe
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
(802) 828-5621
kate.whelleymccabe@state.vt.us

For the Attorney General

Michelle L. Rogers
BuckleySandler LLP
1250 24th Street NW
Suite 700
Washington, DC 20037
mrogers@buckleysandler.com

Robert L. Ernst
Verizon Wireless
One Verizon Way
VC54N068
Basking Ridge, NJ 07920
Robert.l.ernst@verizon.com

For Carrier

46. Any failure by any party to this Assurance to insist upon the strict performance by any other party of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions of this Assurance, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Assurance.

47. If any clause, provision or paragraph of this Assurance shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision, or paragraph of this Assurance and this Assurance shall be construed and enforced as if such illegal, invalid or unenforceable clause, provision, or paragraph had not been contained herein.

48. Nothing in this Assurance shall be construed as relieving Carrier of the obligation to comply with all local, state and federal laws, regulations or rules, nor shall any of the provisions of this Assurance be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

49. The parties understand that this Assurance shall not be construed as an approval of or sanction by the Attorney General of Carrier's business practices, nor shall Carrier represent the decree as such an approval or sanction. The parties further understand that any failure by the Attorney General to take any action in response to any information submitted pursuant to the Assurance shall not be construed as an approval, or sanction, of any representations, acts or practices indicated by such information, nor shall it preclude action thereon at a later date.

50. Carrier shall not participate, directly or indirectly, in any activity or form a separate entity or corporation for the purpose of engaging in acts or practices in whole or in part in Vermont that are prohibited by this Assurance or for any other purpose that would otherwise circumvent any term of this Assurance. Carrier shall not cause, knowingly permit, or encourage any other persons or entities acting on its behalf to engage in practices from which Carrier is prohibited by this Assurance.

51. If the Attorney General determines that Carrier made any material misrepresentation or omission relevant to the resolution of this investigation, the Attorney General retains the right to seek modification of this Assurance.

52. In the event that any statute or regulation pertaining to the subject matter of this Assurance is modified, enacted, promulgated, or interpreted by the federal government or any federal agency, such as the FCC, such that Carrier cannot comply with both the statute or regulation and any provision of this Assurance, Carrier may comply with such statute or regulation, and such action shall constitute compliance with the counterpart provision of this Assurance. Carrier shall provide advance written notice to the Attorney General of Vermont of the inconsistent provision of the statute or regulation with which Carrier intends to comply under this Paragraph, and of the counterpart provision of this Assurance that conflicts with the statute or regulation.

53. In the event that any statute or regulation pertaining to the subject matter of this Assurance is modified, enacted, promulgated or interpreted by a Participating State, such that the statute or regulation is in conflict with any provision of this Assurance, and such that Carrier cannot comply with both the statute or regulation and the provision of this Assurance, Carrier may comply with such statute or regulation in the Participating State, and such action shall constitute compliance with the counterpart provision of this Assurance. Carrier shall provide advance written notice to both the Attorney General of Vermont and the Attorney General of the Participating State, of the inconsistent provision of the statute or regulation with which Carrier intends to comply under this Paragraph, and of the counterpart provision of this Assurance that is in conflict with the statute or regulation.

54. To seek a modification of this Assurance for any reason other than that provided for in Paragraphs 52 or 53 of this Assurance, Carrier shall send a written request for modification to the Attorney General of Vermont on behalf of the Participating States. The Participating States shall give such petition reasonable consideration and shall respond to Carrier within thirty (30) days of receiving such request. At the conclusion of this thirty (30) day period, Carrier reserves all rights to pursue any legal or equitable remedies that may be available to it.

55. To the extent that any of the provisions contained herein permit implementation beyond the Effective Date, the parties have agreed to the delayed implementation of such provisions based on Carrier's representation that it is currently unable to meet the requirements of such provisions and that it needs the additional specified time to develop the necessary technical capabilities to come into compliance with the requirements of such provisions. Carrier agrees to make good-faith and reasonable efforts to come into compliance with any such provisions prior to the implementation dates set by such provisions to the extent commercially practicable.

56. Carrier shall pay all court costs associated with the filing of this Assurance, should the Attorney General be required to file and seek court approval of this Assurance.

DATED at Montpelier, Vermont this 10th day of May, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____
Kate Whelley McCabe
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
(802) 828-5621
kate.whelleymccabe@state.vt.us

DATED at Basking Ridge, NJ this 8 day of May, 2015.

CELLCO PARTNERSHIP
d/b/a VERIZON WIRELESS

By: _____
Craig L. Silliman
Executive Vice President
and General Counsel
VERIZON

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT 2015 MAY -7 A 10:20

IN RE VITAMIN SHOPPE, INC.	)	CIVIL DIVISION
	)	Docket No. 295-5-15 Wncv
	)	

FILED

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Vitamin Shoppe, Inc. ("Respondent") hereby agree to this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. § 2459.

REGULATORY FRAMEWORK

1. Vermont's Consumer Protection Act prohibits "[u]nfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce." 9 V.S.A. § 2453.

BACKGROUND

2. Respondent is incorporated under the laws of Delaware with its principal place of business located at 2101 91st Street, North Bergen, New Jersey 07047. Respondent is a leading multi-channel specialty retailer and contract manufacturer of nutritional products. It conducts business through company-operated retail stores in various states, including Vermont, and through its website.

3. On April 8, 2015, Respondent announced that in light of the April 7, 2015 publication of an article in *Drug Testing and Analysis,* it was "immediately removing all acacia rigidula containing products, due to the concern that some of them may contain BMPEA, from our stores and website. BMPEA is a synthetic drug-like substance that should not be used in dietary supplements."

4. The Attorney General alleges that continuing sales of such products would constitute unfair and deceptive acts and practices under 9 V.S.A. § 2453.

INJUNCTIVE RELIEF

5. Effective immediately upon execution by Respondent of this AOD, Respondent agrees to adhere to each of the following requirements:

A. Respondent shall not sell products that contain BMPEA. BMPEA is also known as:

- βMePE
- R-beta-methylphenethylamine
- R-beta-methylphenethylamine HCl
- Beta-methylphenethylamine
- β-methylphenethylamine
- 1-amino-2-phenylpropane
- 2-phenylpropan-1-amine
- 2-phenylpropylamine
- alpha-benzylethylamine
- 1-phenyl-1methyl-2-aminoethane
- Beta-methylbenzeneethanamine
- Beta-phenylpropylamine
- 2-phenyl-1-propanamine

B. Respondent shall not sell products which are at risk of containing BMPEA unless Respondent first conducts adequate testing to confirm that the product at risk does not, in fact, contain BMPEA. A "product at risk of containing BMPEA" shall mean: 1) a product that is labeled as containing acacia rigidula or which the Respondent otherwise knows to contain the botanical acacia rigidula; or 2) that there has been a public announcement, warning, alert, publication, notice, or report by a governmental agency

in the United States, Australia, Canada, Britain, or the European Union that a product may contain BMPEA. Respondent will use its best efforts to promptly effectuate a market withdrawal of the product at risk until such time as adequate testing has determined that the product does not contain BMPEA.

C. "Adequate testing" shall mean using a recognized, robust industrial sampling technique (e.g., the square root plus 1) to identify samples for testing and then testing the identified samples using a methodology accepted by experts qualified by training and experience to conduct such testing as sufficiently robust to detect the presence of BMPEA.

OTHER TERMS

6. This Assurance of Discontinuance ("AOD") is a compromise of a disputed matter, and it does not constitute or imply an admission of a violation of any law, rule or regulation.

7. This AOD applies to Respondent, its principals, officers, directors, agents, employees, representatives, successors and assigns, jointly and severally, while acting personally, or through any corporation or other business entities, whose acts, practices or policies are directed, formulated or controlled by Respondent.

8. Respondent acknowledges that although no monetary sanctions are being imposed in connection with this AOD, the violation of any of the terms of this AOD may result in contempt of court proceedings, civil penalties of up to $10,000 for each violation, and such further relief as the court may deem appropriate pursuant to 9 V.S.A. § 2459.

9. This AOD shall be inadmissible in any case for any purpose, and shall not be used to support any claim, cause of action, right asserted or request for relief of any kind in any action against Respondent, except an action to enforce this AOD.

10. Respondent shall not represent or imply that the Attorney General acquiesces or approves of Respondent's past business practices, current efforts to reform its practices, or any future practices which Respondent may adopt or consider adopting. The decision of the Attorney General to settle this matter or to otherwise unilaterally limit current or future enforcement does not constitute approval or imply authorization for any past, present, or future business practice.

11. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this AOD and the parties hereto for the purpose of enabling the Attorney General to apply to this Court, at any time, for orders and directions as may be necessary or appropriate to enforce compliance with, or to punish violations of this AOD, or for either party to move to modify this AOD.

SIGNATURE

In lieu of instituting an action or proceeding against Respondent, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this AOD.

DATED at 11:15 am, this 1st day of May, 2015.

Vitamin Shoppe, Inc.

By: _____

Jean Frydman
Senior Vice President, General Counsel and
Corporate Secretary

ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this 6th day of May, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____

Jill S. Abrams
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
jill.abrams@state.vt.us
802-828-1106