

## ASSURANCE OF VOLUNTARY COMPLIANCE

In the matter of

UNITED MARKETING GROUP, LLC.

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The undersigned state and agree as follows:

1. The State of Iowa ex rel. Thomas J. Miller, Iowa Attorney General, enters into this Assurance of Voluntary Compliance ("Assurance" or "AVC") with United Marketing Group, Inc. ("UMG") to resolve the Attorney General's concerns with UMG's compliance with Iowa Code Ch. 552A, the Buying Club Memberships Law ("BCL"), and Iowa Code § 714.16 (2009), the Iowa Consumer Fraud Act ("CFA"), in connection with UMG's marketing of memberships in Iowa.

2. UMG denies wrongdoing or liability of any kind, but has agreed to enter into this Assurance in order to resolve all issues raised during the Attorney General's inquiry. UMG is entering into this Assurance solely for the purpose of settlement and nothing contained herein may be taken as or construed to be an admission or concession of any violation of law, or of any other matter of fact or law, or of any liability or wrongdoing, all of which UMG expressly denies. No part of this Assurance constitutes or shall be deemed to constitute an admission by UMG that it has ever engaged in any conduct proscribed by this Assurance. Further, to the extent that any changes in UMG's business, advertisements and/or advertising practices are made to achieve or facilitate conformance to the terms of this Assurance, the fact that such changes were made shall not constitute any form of evidence or admission, explicit or implicit, by UMG of wrongdoing or failure to comply with any federal or state statute or regulation or the common law. No part of this Assurance constitutes or shall constitute evidence against UMG in

any action brought by any person or entity of any violation of any federal or state statute or regulation or the common law, except in an action brought by the Attorney General to enforce the terms of this Assurance. There is no private right of action, explicit or implicit, created by this Assurance to enforce the terms hereof.

**IT IS THEREFORE AGREED** that UMG and UMG's employees, successors, assigns, and all other persons, corporations and other entities acting in concert or participating with UMG who have actual or constructive notice of this AVC shall refrain from violating the BCL. Without limiting the foregoing, this AVC requires compliance with all notice, disclosure, and other requirements of Iowa Code §§555A.1 through 555A.5 (incorporated by section 552A.3 of the BCL) and with all requirements relating to contracts set forth in Iowa Code §§552A.3 and 552A.4, in connection with the advertising, marketing or sale of Buying Club Memberships as defined in the BCL ("BCL programs") to consumers residing in the State of Iowa.

**IT IS FURTHER AGREED** that UMG and UMG's employees, successors, assigns, and all other persons, corporations and other entities acting in concert or participating with UMG who have actual or constructive notice of this AVC shall refrain from violating the CFA in connection with the advertising, marketing or sale of any form of membership club programs to consumers residing in the State of Iowa, which for purposes of this provision shall be defined to mean a plan under which for a membership fee, members receive the right to purchase goods or services from the club at discount prices or on a comparable basis. Without limiting the foregoing, this paragraph requires each of the following:

A. Clear and conspicuous disclosure to prospective purchasers of a membership club program of all material aspects of the membership and the membership transaction.

B. Reasonable efforts to ensure that Iowa consumers who pay for membership club programs but who are not known by UMG to be active users of membership benefits are

personally contacted at least once every nine months for the purpose of obtaining the consumer's unambiguous affirmation that he or she is aware of the membership as well as the amount and manner of the membership charges, and wishes to continue as a member.

**IT IS FURTHER AGREED** that UMG shall not engage in any new marketing of any membership programs or any billing of existing customers residing in the State of Iowa following the execution of this AVC unless, in the case of new marketing, at least ninety (90) days in advance of the commencement of such marketing, UMG shall have provided written notice to the Director of the Consumer Protection Division via certified mail accompanied by representative samples of marketing materials (solicitation, fulfillment, and billing materials) to be used in connection with such marketing, and shall cooperate in a timely manner with reasonable requests for additional information regarding such marketing. For avoidance of doubt, this requirement shall apply to the first time UMG commences any marketing of membership programs following entry of this AVC, and not to any subsequent instances of marketing of membership programs.

**IT IS FURTHER AGREED** that UMG pay to the State of Iowa, within five (5) days following execution of this AVC and in the manner the Attorney General directs, the amount of \$201,250.00, to be applied by the Attorney General in its discretion to restoring to Iowa consumers amounts they spent for UMG's memberships to the extent reimbursement has not previously been made, pursuant to the BCL and the CFA (Iowa Code §714.16(7)). UMG is directed to cooperate with reasonable requests from the Attorney General in connection with efforts to effect such restoration. To the extent that consumers entitled to reimbursement cannot be located through reasonable efforts, the money that is not returned to consumers shall be retained by the Attorney General to be used by the Attorney General for the administration and implementation of the CFA, pursuant to Iowa Code §714.16(7), and shall be deposited into the

fund created by Iowa Code §714.16C (2009). No part of this payment shall be deemed a penalty of any kind. This payment to the Attorney General for consumer restitution shall not affect UMG's established pre-AVC policy regarding consumer refunds as it applies to Iowans, which policy the Attorney General neither approves nor disapproves. This requirement shall not be interpreted to limit in any way refunds by UMG in circumstances in which a refund is not expressly required.

**IT IS FURTHER AGREED** that a violation of this AVC is deemed a violation of the CFA for purposes of enforcement by the Attorney General.

**IT IS FURTHER AGREED** that, pursuant to Iowa Code §714.16, UMG pay to the Attorney General, within five (5) days following execution of this AVC, \$23,750.00 to be deposited in the consumer fraud enforcement fund referred to in Iowa Code §714.16A (2009).

The Undersigned who have the authority to consent and sign on behalf of the Attorney General of Iowa and UMG hereby consent to the form and contents of the foregoing Assurance of Voluntary Compliance, which is to take effect immediately upon execution by all signatories indicated below.

**UNITED MARKETING GROUP, LLC:**

Date: 8/4/10

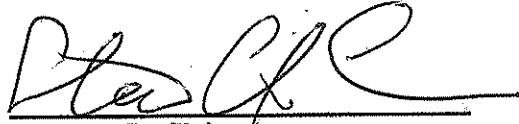
Alan Portelli  
For United Marketing Group, LLC

Date: 8/6/10

Linda Goldstein  
Linda A. Goldstein  
Attorney for UMG

**IOWA ATTORNEY GENERAL:**

Date: August 10, 2010

A handwritten signature in black ink, appearing to read "Steve St. Clair", written over a horizontal line.

By Steve St. Clair  
Assistant Iowa Attorney General