

ASSURANCE OF VOLUNTARY COMPLIANCE

In the matter of

IKONIK LLC, a Utah
limited liability company,

Respondent.

STATE OF IOWA ex rel. Thomas J. Miller, Attorney General of Iowa, by J. Andrew Cederdahl, Assistant Attorney General of Iowa (hereinafter "the Attorney General"), and IKONIK, LLC ("Respondent") enter into this Assurance of Voluntary Compliance pursuant to Iowa Code § 714.16, the Iowa Consumer Fraud Act, and Iowa Code § 555A, the Door-to-Door Sales Act.

1. Respondent is a Utah limited liability company with its primary place of business of 8034 S State Street, Midvale, Utah 84047.
2. Respondent engaged in the business of marketing and selling merchandise, including satellite television subscriptions resulting in contracts for DIRECTV.
3. This Assurance of Voluntary Compliance ("Assurance") constitutes a full and final resolution of any and all claims by the Iowa Attorney General against Respondents for the alleged violations of the Iowa Consumer Fraud Act, Iowa Code § 714.16 ("CFA") and Iowa Code § 555A, the Door-to-Door Sales Act ("Door-to-Door") that occurred or may have occurred prior to the Effective Date of this Assurance and that were raised by the Attorney General in the investigation and/or resolution of this matter.

4. This Assurance shall take effect when the last signature below is added (the “Effective Date”).

ALLEGATIONS

5. The Attorney General alleges that, in the course of soliciting sales of merchandise, Respondents violated the CFA and Door-to-Door by:

a. making misrepresentations regarding material terms of buyer contracts in violation of Iowa Code § 714.16(2)(a);

b. failing to comply with Iowa Code Chapter 555A (Iowa Door-to-Door Sales Act) by failing to provide consumers with a three day notice of right to cancel, and by providing a notice which does not comply with the requirements for the notice as set out in Iowa Code § 555A.2 and § 555A.3;

c. failing to comply with Iowa Code Chapter 555A by failing to complete the Notice of Cancellation by entering the name of the seller, the address of the seller’s place of business, the date of the transaction, and the date, not earlier than the third business day following the date of the transaction by which the buyer can give notice of cancellation as required by Iowa Code § 555A.4 (1);

d. failing to orally inform buyers, at the time the buyers signed the contracts, of the buyers’ right to cancel, as required by Iowa Code §555A.4(3); and

e. improperly assessing early cancellation fees against buyers who exercised their rights to cancel within three days under § 555A.2.

6. The Attorney General contends that the above-noted acts, statements, and omissions by Respondents in relation to Respondents’ sales of merchandise to Iowa consumers

constitute "unlawful acts" pursuant to Iowa Code §714.16(2)(a), and thus violate the CFA and Door-to-Door.

7. Respondent disputes the Attorney General's allegations. This Assurance is intended to resolve the dispute between the Attorney General and Respondents. In entering into this Assurance, Respondent admits no liability whatsoever under the CFA, Door-to-Door, or any other law.

RESOLUTION

8. It is agreed that Respondent shall hereafter comply with all provisions of Door-to-Door and the CFA, including the following requirements:

a. Furnish each Iowa buyer with a fully completed receipt or copy of any contract pertaining to a door-to-door sale at the time of its execution, which is in the same language as that principally used in the oral sales presentation and which shows the date of the transaction and contains the name and address of the seller, and in immediate proximity to the space reserved in the contract for the signature of the buyer or on the front page of the receipt if a contract is not used and in boldface type of a minimum size of ten points, the following statement: "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 the attached notice of cancellation form for an explanation of this right.";

b. Furnish each Iowa buyer, at the time each buyer signs door-to-door sales contracts or otherwise agrees to buy consumer goods or services from the seller, a completed form in duplicate, captioned "Notice of Cancellation", which shall be attached to the contract or receipt and easily detachable, and which shall contain in ten point

boldface type the information, statements and prompts reflected within Iowa Code § 555A.3;

c. Provide two written notices of cancellation with the required content and form, such notices to be completed by the Respondent's salespersons (not consumers contracting with or through Respondent), at the time merchandise is sold to each Iowa consumer;

d. Not include in any contract or receipt any confession of judgment or any waiver of any of the rights to which each Iowa buyer is entitled under Door-to-Door and this Assurance, including specifically the right to cancel the sale in accordance with the provisions of Door-to-Door;

e. Accurately inform each Iowa buyer orally, at the time each buyer signs a contract or purchases goods or services, of the right to cancel;

f. Not misrepresent in any manner Iowa buyers' rights to cancel;

g. Honor any notice of cancellation by Iowa buyers that is validly effectuated pursuant to Door-to-Door;

h. Within ten business days after the receipt of a valid notice of cancellation by an Iowa buyer, refund all payments made under the buyer's contract or sale, return any goods or property traded in, in substantially as good condition as when received by the seller, and cancel and return any negotiable instrument executed by the buyer in connection with the contract or sale and take any action necessary or appropriate to terminate promptly any security interest created in the transaction;

i. Not negotiate, transfer, sell, or assign any note or other evidence of

indebtedness to a finance company or other third party prior to midnight of the seventh business day following the day each contract with Iowan consumers is signed or the goods or services are purchased;

j. Within ten business days of Respondent's receipt of any Iowa buyer's notice of cancellation, notify the buyer whether Respondent intends to repossess or to abandon any shipped or delivered goods;

k. Obtain valid and proper peddler's license(s) consistent with applicable laws prior to engaging in door-to-door sales, if required within the Iowa location wherein Respondent or its agents engage in door-to-door sales; and

l. Not orally misrepresent or contradict written terms of the contracts Respondent solicits Iowans to execute, or misrepresent the scope or terms of the specific offers Respondent solicits Iowans to buy and/or contract.

9. It is further agreed that, to the extent Respondent contracts with or otherwise employs other entities or persons to conduct door-to-door sales within Iowa ("agent(s)"), Respondent shall instruct its agents of the existence and contents of this Assurance in such a manner that the instruction can be evidenced in writing, and shall make formal between itself and its agents the material contractual requirement that said agents of Respondent shall likewise follow the provisions of this Assurance elaborated within Paragraph eight (8)(a) through (l) as a condition of operating within Iowa on behalf of Respondent, specifically the CFA, Door-to-Door, and obtaining peddler's licenses where required; provided, Respondent's mere notice to its agent(s) and agreement to contractually memorialize said requirements with agent(s) operating within Iowa on Respondent's behalf shall not by themselves absolve Respondent of all

potential liability for violation of this Assurance, if Respondent nonetheless willfully ignores its agreement to comply with the provisions elaborated within Paragraph eight (8)(a) through (l) or if Respondent fails to take immediate and meaningful corrective measures to bring its agents into compliance with the provisions elaborated within Paragraph eight (8)(a) through (l) once Respondent obtains actual knowledge that its agents are violating Iowa laws or violating the contractual term between Respondent and its agent(s).

10. It is further agreed that Respondent will comply with the following process after the Effective Date of this Assurance:

a. No later than November 1, 2018, Respondent shall mail via US first class mail to every Iowa consumer with whom it entered DIRECTV contracts a written notice that each consumer may cancel the DIRECTV contract without incurring any cancellation fee whatsoever, as long as the cancellation is postmarked back to Respondent by November 12, 2018. The period in which Iowa consumers may opt to cancel their contracts without cancellation fees is the "Redemption Period."

b. The Redemption Period begins to run on November 1, 2018.

c. The notice referred to in Paragraph 10(a) shall be approved by the Attorney General prior to Respondent sending the notice.

d. Each envelope containing the notice to Iowa consumers shall have a postage-paid, self-addressed envelope in which consumers may return their preferences to Respondent.

e. Respondent shall honor consumer preferences that are postmarked back to Respondent within the Redemption Period, during which consumers may opt out without

cancellation fees, and Respondent shall cover any cancellation fee incurred by said consumer.

f. The Attorney General shall consider those Iowa consumers who do not postmark their preferences for return to Respondent within the Redemption Period, or opt not to cancel within the Redemption Period, to have forfeited their right to participate in this settlement.

g. All Iowa consumers who cancel shall have the option to return equipment to Respondent via a pre-paid shipping box in which consumers can place the equipment for return to Respondent, or for Respondent to arrange for free pick-up of said equipment; provided, it shall be the responsibility of any consumer cancelling under this section to return all equipment to Respondent, and failure to do so may result in the assessment of a fee.

h. Respondent shall cover all expenses associated with the mailing process under this section, including postage, provision of envelopes, and printing of the notices.

11. It is further agreed that, pursuant to Iowa Code § 714.16, Respondent will pay to the Attorney General eight-thousand dollars (\$8,000.00), in the manner instructed by the Attorney General. The money received by the Attorney General shall be deposited in the consumer education and litigation fund referred to in Iowa Code § 714.16C.

12. It is further agreed that Respondent will timely refund to all Iowa consumers with whom it executed contracts any and all contract cancellation fees already paid by said consumers prior to the Effective Date of this Assurance, to the extent Respondent has not already done so.


13. It is further agreed that nothing herein shall be interpreted to create any private right of action for consumers that would not otherwise exist, nor to diminish any rights or remedial options available to consumers that would otherwise exist (except as necessary to prevent double recovery by an individual consumer). Nothing contained in this Assurance shall be construed to waive any individual right of action by a consumer or a local, state, federal or other governmental entity, except as settled herein.

14. It is further agreed that, in addition to whatever other legal remedies may be available, a material violation of this Assurance constitutes a violation of the Consumer Fraud Act, Iowa Code § 714.16 (CFA), and each such violation by Respondent of this Assurance, if established by a preponderance of the evidence in an enforcement action by the Attorney General, gives rise to all of the remedies provided in the CFA.

15. It is further agreed that Respondent shall comply with reasonable requests from the Attorney General for information relating to compliance with this Assurance


The undersigned, who have the authority to consent and sign on behalf of Respondents and the Attorney General of Iowa, hereby consent to the form and contents of this Assurance.

Date: 10/31/18



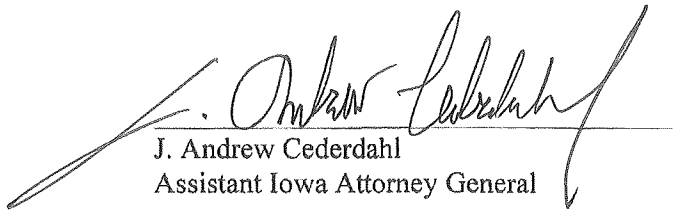
JAMIE STAGG
(Print Name)
for Ikonik, LLC

Date: 10/31/2018



Cole Cannon, attorney for Ikonik, LLC

Date: 11/1/2018



J. Andrew Cederdahl
Assistant Iowa Attorney General