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KLMN Readers Services, Inc.,

CONSUMER PROTECTION DIV.

ASSURANCE OF VOLUNTARY COMPLIANCE

Respondent.

STATE OF IOWA ex rel. Thomas J. Miller, Attorney General of Iowa, by Layne M. Lindebak, Assistant Attorney General of Iowa (hereinafter "the Attorney General"), and KLMN Readers Services, Inc., enter into this Assurance of Voluntary Compliance pursuant to Iowa Code § 714.16 (2015), the Iowa Consumer Fraud Act, and Iowa Code ch 555A., the Door-to-Door Sales Act.

1. The term, "Respondents," as used herein shall apply to KLMN Readers Services, Inc., and to its investors, owners, agents, employees, directly or indirectly, individually or in concert with others, through any corporate or other device.

2. The term, "Consumer(s)," as used herein shall apply to both potential purchasers of merchandise as well as actual purchasers of said merchandise.

3. KLMN Readers Services, Inc., is a Florida corporation with its primary place of business of 13335 SW 112<sup>th</sup> Avenue, Miami, FL 33176.

4. Respondents engaged in the business of marketing and selling merchandise<sup>1</sup>, including magazines subscriptions, through sales presentations in the homes of Iowa consumers.

5. This Assurance of Voluntary Compliance ("Assurance") constitutes a full and final resolution of any and all claims by the Iowa Attorney General against Respondent for the alleged

<sup>1</sup> The term, "merchandise," as used herein, is as defined in Iowa Code § 714.16(1)(i).

violations of the Iowa Consumer Fraud Act, Iowa Code § 714.16 ("CFA") 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.

#### ALLEGATIONS

6. The Attorney General alleges that, in the course of soliciting sales of merchandise, Respondents violated the Iowa Consumer Fraud Act by:

- a. failing to comply with Iowa Code Chapter 555A (Iowa Door to Door Sales Act) by failing to provide customers 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 statute §555A.2 and §555A.3,
- b. failing to comply with Iowa Code Chapter 555A (Iowa Door to Door Sales Act) 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)
- c. failing to orally inform the buyer, at the time the buyer signs the contract, of the buyer's right to cancel, as required by Iowa Code §555A.4(3).
- d. making false and deceptive statements during magazine sales presentations.

7. The Attorney General contends that the above-noted acts, statements, and omissions by Respondents in relation to efforts to sell merchandise to Iowa consumers constitute "unlawful acts" pursuant to Iowa Code §714.16(2)(a), and thus violate the CFA.

8. Respondents dispute the Attorney General's allegations. This Assurance is intended to resolve the dispute between the Attorney General and Respondents. In entering into this Assurance, Respondents admit no liability whatsoever under the CFA or any other law.

## RESOLUTION

9. Respondents agree to comply with the following conditions from the date of the signing of this Assurance:

- a. Respondent shall not from engage or participate, directly or indirectly, in sales of magazines to consumers residing in the State of Iowa as of the effective date of this Assurance.
- b. It is further agreed that Respondents will refund, in full, any money paid to the Respondent prior to the effective date of this Assurance, upon the request of the consumer prior to April 1, 2016.
- c. It is further agreed that Respondents shall comply with reasonable requests from the Attorney General for information relating to compliance with this Assurance and for information relating to possible refunds to customers.
- d. It is further agreed that, on or before the effective date of this Assurance, pursuant to Iowa Code § 714.16, Respondents pay to the Attorney General \$7000.00, in the manner instructed by the Attorney General. The money received by the AG will be deposited in the consumer education and litigation fund referred to in Iowa Code § 714.16C.

10. Respondents agree that a violation by Respondents of any requirement of this Assurance shall constitute a violation of the Iowa Consumer Fraud Act, Iowa Code § 714.16, and that violations by Respondents of any requirements of this Assurance shall constitute a violation of this contractual agreement with the State entitling a court to impose civil penalties against Respondents pursuant to Iowa Code § 714.16(7) as if the Respondents had violated a court injunction.

11. Respondents agree that this Assurance shall not in any way bar the Attorney General from taking further action regarding Respondents' solicitation of sales or sales of merchandise.

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

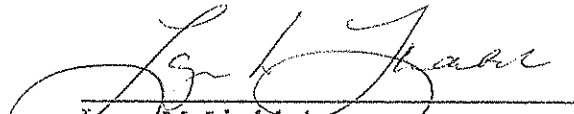
Date: 1-18-16

  
For KLMN Readers Services, Inc.

Date: 1-18-16

  
Michael G. Whitely

Date: 1-21-2016

  
Layne M. Lindbak  
Assistant Iowa Attorney General