

In re LEAD CONCEPTS, INC. )

CIVIL DIVISION

Docket No. 612-10-14 Wncv

FILED

ASSURANCE OF DISCONTINUANCE

1. Lead Concepts, Inc. (“Lead Concepts”) is a Texas corporation with offices located at 1060 E. Northwest Highway, Grapevine, Texas 76051-3703.

2. Among other things, Lead Concepts generates business leads for insurance agents by sending direct mailings to consumers that request them to return a responsive postcard containing their name and age, spouse’s name and age, and other information, which is then furnished to the agents to use in contacting the consumers to offer to sell them insurance policies.

3. During the years 2010-13, Lead Concepts sent thousands of such mailings to Vermont consumers, many of them elderly, for the purpose of generating leads for several Vermont insurance agents.

4. Many of these mailings implied that the sender was simply offering to provide information or a brochure to the recipient, free of charge.

5. Examples of such wording include the following:

- “IMPORTANT ELDER LAW INFORMATION ...For FREE information regarding this important elder law, return this postage paid card today.”
- “SENIOR BENEFITS UPDATE ... To see if you qualify, mail this postage paid card. You will not be charged for this information!”
- “FOR AN EXPERT REVIEW OF YOUR MEDIGAP BENEFITS—RETURN THIS CARD!”

- “NEW FEDERAL BUDGET LEGISLATION ... To get the answers and information you need, fill in and mail this postage paid card today.”
- “**MEDICARE SUPPLEMENT COVERAGE UPDATE** ... For information on these changes and how they will AFFECT YOU, complete and return this postage paid card today.”
- “**MEDICARE OPEN ENROLLMENT QUALIFICATION REQUEST CARD** ... Take advantage of this free review of your healthcare benefits and information about Medicare programs for little or no premium cost.”
- “**INFORMATION UPDATE** ... For details and information [on maximizing Social Security benefits], return the above postage-paid card.”
- “**MEDICARE SUPPLEMENT UPDATE** ... Send in this card to see if you qualify for premium savings from \$200-\$500 per year or more.”
- “**2011 MEDICARE HEALTH PLAN UPDATE** ... Return this free card to find out if you currently receive all the benefits you are entitled to. There is no obligation and all the information is FREE!”

6. The purpose of the mailings was to persuade consumers to send information—including the consumer’s age and spouse’s name and age—to be used by Lead Concepts’ clients, the insurance agents, to develop customer leads to market their products.

7. Although some of these mailings expressly disclosed their true commercial purpose, 42,000 mailings to Vermont consumers did not disclose that purpose.

8. Lead Concepts estimates that one percent of the recipients of these mailings, or about 420 Vermonters, responded by returning a postcard with their information.

9. 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.

10. Lead Concepts denies that it violated any Vermont or federal law or unfair trade practice standard.

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

**INJUNCTIVE RELIEF**

12. Lead Concepts shall comply strictly with all provisions of Vermont and federal law, including the Vermont Consumer Protection Act, 9 V.S.A. §§ 2451 *et seq.*

13. Among other things, Lead Concepts 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**

14. No later than December 1, 2014, Lead Concepts shall pay to the State of Vermont the sum of \$85,000.00 (eighty-five thousand dollars), in care of the Vermont Attorney General’s Office, 109 State Street, Montpelier, Vermont 05609, and an additional \$5,000.00 (five thousand dollars) to Vermont Adult Protective Services, in care of John Bouthilette, APS Program Chief, 103 South Main Street – Ladd Hall, Waterbury, Vermont 05671-2306, the latter for the purpose of underwriting the cost of training and maintaining a network of anti-fraud advocates for senior citizens in Vermont.

**OTHER PROVISIONS**

15. This Assurance of Discontinuance represents a full and final settlement of any and all claims against Lead Concepts, including any claims of derivative liability against its owners, principals, employees, or agents, by the State of Vermont and any of its subdivisions or agencies that relate to the subject matter of this Assurance of

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

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.

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

Dated 10/14/14

STATE OF VERMONT

WILLIAM H. SORRELL  
ATTORNEY GENERAL

By: EB  
Elliot Burg  
Senior Assistant Attorney General

Dated \_\_\_\_\_

LEAD CONCEPTS, INC.

By: \_\_\_\_\_  
Its Authorized Agent

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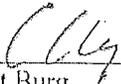
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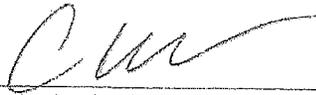
STATE OF VERMONT

WILLIAM H. SORRELL  
ATTORNEY GENERAL

By:   
Elliot Burg  
Senior Assistant Attorney General

Dated 10/15/14

LEAD CONCEPTS, INC.

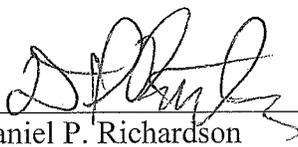
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APPROVED AS TO FORM:



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Elliot Burg  
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For the State of Vermont



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