VT SUPERIOR COURT
WASHINGTON UNIT
CIVIL DIVISION

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2014 OCT 13 A 10: 17

IN RE: INTEGRAL RESOURCES	)	CIVIL DIVISION
	)	Docket No. 606-10-14 Wncv
	)	

FILED

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Integral Resources ("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.

2. 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 indirectly, his or her relationship to a charitable organization." 9 V.S.A. §§ 2475(a), (e).

3. Vermont's Consumer Protection Rule 119, regulating charitable solicitations, lists as a prohibited practice the misrepresentation of "[t]he identity or affiliation of the solicitor or paid fundraiser[.]" CP 119.08(a)(1).

4. Vermont's Charitable Solicitations law requires a paid fundraiser to disclose, "[t]he nature, location, dates, parties, and outcome of any litigation or investigation concerning the fundraiser's solicitation activity in any jurisdiction occurring within six years prior to the commencement of the fundraising campaign in this state" as part of its notice of solicitation. 9 V.S.A. § 2473(a)(3). Vermont's Consumer Protection Rule 119.04(a)(10) incorporates this requirement.

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5. Vermont's Charitable Solicitations law requires a paid fundraiser to report "[a]ny material change in any information contained in a notice of solicitation" to the Vermont Attorney General "not more than seven days after the change occurs." 9 V.S.A. § 2473(d).

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 Integral Resources is a for-profit corporation incorporated under the laws of Massachusetts, with its principal place of business located at 1972 Massachusetts Avenue, Cambridge, Massachusetts, 02134. Integral Resources conducts business throughout the State of Vermont as a paid fundraiser for various charitable organizations.

8. From at least 2007 to the present, Integral Resources has solicited contributions by telephone from Vermont residents on behalf of various charitable organizations, including American Council of the Blind and League of Conservation Voters.

9. In compliance with 9 V.S.A. § 2475(e)(1), Integral Resources' scripts instruct callers to state at the beginning of each call into Vermont that the caller is a paid solicitor calling from Integral Resources, a professional fundraiser, calling on behalf of the charitable organization.

10. In compliance with 9 V.S.A. § 2475(e)(2) and CP Rule 119.07, Integral Resources' scripts further instruct callers to state during each call into Vermont that "to find out how much of your contribution goes to the [charitable organization] and how much to the paid

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fundraiser, call the Vermont Attorney General's Office at 1-800-649-2424, or log on to the Attorney General's website."

11. Integral Resources' scripts for calls made into Vermont on behalf of American Council of the Blind also include the following statements:

a. "[I]t is because of the support and generosity of people like you that we are able to provide essential services . . . ."

b. "Because we receive no federal funding, it is because of the support of individuals such as you that has helped us offer so many important services . . . ."

c. "Knowing the good that we do, can I count on your renewed support today . . . ."

12. Integral Resources' scripts for calls made into Vermont on behalf of League of Conservation Voters include statements such as:

a. "Here at LCV, we are determined to make sure that happens."

b. "We can make a difference, but we need your renewed support."

13. For the purposes of this AOD, Integral Resources admits that its employees followed these scripts when making solicitations into Vermont.

14. Integral Resources learned that it was the subject of an investigation by the Ohio Attorney General no later than June 18, 2013, when the State of Ohio filed a Complaint and a Motion for a Temporary Restraining Order and Preliminary Injunction against Integral Resources in the Court of Common Pleas, Franklin County, Ohio.

15. Integral Resources did not notify the Vermont Attorney General's Office within seven (7) days of the commencement of litigation in Ohio.

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16. Since October 2013, Integral Resources has voluntarily ceased all solicitations into Vermont until this matter is resolved.

17. Integral Resources admits the truth of all facts set forth in the Background section.

18. The Attorney General alleges that some of the above conduct demonstrates violations of 9 V.S.A. §§ 2473(a)(3) and 2475(a) and Consumer Protection Rule 119.04(a)(10) and 119.08(b), and further alleges that any such violation would constitute unfair and deceptive acts and practices under 9 V.S.A. § 2453, but Integral Resources disputes all allegations of violations of Vermont law as contained in this paragraph.

AGREEMENT

Future Compliance

19. It is hereby AGREED that Integral Resources:

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 not use the first personal plural pronouns "we" and "us" in its telephone solicitation scripts or "here" such as referenced in paragraphs 11 and 12 of this AOD for any and all calls made into the State of Vermont;

c. shall report at the start of each campaign all litigation and governmental investigations[1] (including settlement agreements), concerning Integral

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[1] For purposes of this AOD, an informal or unenforceable request for information does not constitute an investigation, regardless of the form in which the request is made.

Resources' solicitation activity occurring within six years prior to the commencement of the fundraising campaign as required by 9 V.S.A. § 2473(a)(3) and Consumer Protection Rule 119.04(a)(10);

d. shall report any material changes to all notices of solicitation for all ongoing solicitation campaigns as required by 9 V.S.A. § 2473(d), and Integral Resources agrees to notify the Attorney General whenever Integral Resources is the subject of new litigation or governmental investigation involving Integral Resources' solicitation activity or when there is an outcome (including settlement agreements) to any ongoing litigation or investigation.

20. It is hereby AGREED that all of the parties have compromised and settled all potential claims regarding alleged violations of 9 V.S.A. §§ 2473(a)(3), 2473(d), and 2475(a) 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.

Monetary Relief

21. As part of this negotiated settlement, it is hereby AGREED that Integral Resources shall pay twenty-three thousand dollars ($23,000) in two installments, as described below.

22. Of the amount described in paragraph 21,

a. Within ten (10) days of both parties signing this AOD, Integral Resources shall pay eighteen thousand dollars ($18,000) in lieu of a civil penalty to the Vermont Community Foundation, located at 3 Court Street, Middlebury,

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Vermont, 05753, or to another private organization qualifying as a section 501(c)(3) public charity under the Internal Revenue Code selected by the Vermont Attorney General, to be distributed, in that organization's reasonable discretion, to charitable organizations operating in Vermont involved in environmental conservation or advocacy on behalf of people living with disabilities. A copy of the check and transmittal letter shall be sent to the Assistant Attorney General identified in subparagraph (b), below.

b. Within forty (40) days of both parties signing this AOD, Integral Resources shall pay the remaining five thousand dollars ($5,000) 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 delivered to Assistant Attorney General Todd Daloz, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

OTHER TERMS

23. Integral Resources agrees that the terms of this AOD shall be binding on Integral Resources and its successors and assigns.

24. The Attorney General hereby releases and discharges any and all potential or actual claims arising under the Consumer Protection Act, 9 V.S.A. chapter 63, subchapters 1 and 2, and Consumer Protection Rule 119 that it may have against Integral Resources for the type of conduct described in the Background section up to and including the effective date of this AOD.

25. 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

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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

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

a. For use of a script that violates paragraph 19(b) of this AOD during a telephone solicitation, regardless of the number of individual solicitations made using said script, the penalty shall be $8000 for each script;

b. For failure to report in any notice of solicitation the existence of a government investigation, litigation, or the outcome of an investigation or litigation (including settlement) occurring within six years prior to the commencement of the fundraising campaign in this state, the penalty shall be at the Court's discretion;

c. For failure to update any notice of solicitation with any material changes to the campaign, and failure to report the existence of a government investigation, litigation, or the outcome of an investigation or litigation (including settlement) that commences or occurs after the start of the campaign but before the campaign ends, the penalty shall be at the Court's discretion.

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SIGNATURE

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

DATED at Washington, DC, this 30th day of September, 2014.

Integral Resources, Inc.

By: _____
Its Authorized Agent

By: RONALD F. ROSENBLITH CEO
Name and Title of Authorized Agent

ACCEPTED on behalf of the Vermont Attorney General:

DATED at Montpelier, Vermont, this 8th day of October, 2014.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____
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APPROVED AS TO FORM:

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