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Attorney General Fox Announces \$30 Million Multi-State Settlement Against Marketing Company

Affinion Settles Allegations of Deceptive Advertising and Enrollment in Discount Clubs and Memberships

HELENA – Attorney General Tim Fox and the Attorneys General of 46 other states and the District of Columbia announced today that Connecticut-based Affinion, and its subsidiaries Trilegiant and Webloyalty, will pay over \$30 million to settle allegations that they misled consumers into signing up and paying for discount clubs and memberships.

Montana consumers who file a complaint with the Office of Consumer Protection at the Montana Department of Justice may be eligible to receive restitution.

Affinion and its subsidiaries run multiple discount clubs and membership programs offering a variety of services such as credit monitoring, roadside assistance, and discounted travel. Affinion markets these programs through a series of agreements with “marketing partners” – well-known banks and retailers that present these programs to consumers often immediately after the consumer has engaged in a transaction with that partner. Affinion’s programs are marketed via direct mail, online, telemarketing, and in face-to-face point of sale transactions. Affinion charges a monthly fee to consumers for these services, which continues until the consumers affirmatively cancel.

“Sometimes, consumers received solicitations in the form of a check for a small amount of money,” said Attorney General Fox. “They assumed the checks were rebates or rewards, but were in fact solicitations, often included in correspondence from stores or financial institutions known to the consumer. Today’s settlement now bans this kind of deceptive tactic in Montana and protects some of our most vulnerable citizens from being scammed in the future.”

As part of today’s judgment, \$19 million will go into a fund to provide refunds to consumers who received unauthorized charges for Affinion’s programs. The State of Montana will receive a \$25,000 payment. Additionally, Montana has known 1,381 consumers who are eligible to receive restitution in

varying amounts.

Consumers complaining to the States have alleged that Affinion charged them for services without consumers' authorization or knowledge, and, once consumers learned they were being charged, some further had trouble canceling or getting a refund. Other consumers were confused about who Affinion even was because the offers looked like they came from Affinion's marketing partners, which usually were banks or retailers with which the consumers did business.

The States' investigation uncovered several of Affinion's marketing practices that misled consumers, including a lack of clear and conspicuous disclosure about Affinion's identity, and the cost and ongoing nature of the charges. Most troubling were two marketing practices of Affinion – live checks and online data pass. In a live check solicitation, consumers were sent via direct mail an offer that appeared to be a check – but when consumers endorsed and deposited the checks, the consumers unknowingly authorized Affinion to enroll them in membership programs, and to bill them each month indefinitely. In an online data pass offer, consumers were presented an Affinion offer immediately after an online purchase from a retailer. Affinion was then able to enroll and bill consumers without acquiring any of their account information because the marketing partner would pass that information to Affinion. As part of today's judgment, both practices are prohibited.

Today's agreement includes further changes to Affinion's business model by requiring Affinion to provide clear and conspicuous information to consumers after enrollment regarding their membership, periodic reminders of their enrollment, and changes to Affinion's cancellation practices.

Montana consumers who believe they were improperly charged by Affinion, Trilegiant, or Webloyalty should contact the Office of Consumer Protection at the Montana Department of Justice by calling 1-800-481-6896 or emailing contactocp@mt.gov. Complaints may also be filed on line by visiting <https://app.doj.mt.gov/apps/Oscar/default.aspx>. For a list of FAQs regarding the settlement, visit - <https://doj.mt.gov/wp-content/uploads/Affinion-Settlement-FAQs-10-11-13.pdf>

Consumers checking their credit card and bank account statements should also be looking for the names of Affinion's membership programs, as often that is how the company's charges appear on their bills. Affinion's membership programs include:

AutoVantage; AutoVantage Enhanced; AutoVantage Gold; Buyers Advantage; Buyers Enhanced; Buyer Assurance; Complete Home; Complete Home Enhanced; Complete Savings; Elite Excursions; Everyday Privileges Gold; Everyday Values; Great Fun; Health Allies; Health Saver; Hotline Enhanced; ID Secure; Identity Secure; Just For Me; Live Well; PC Safety Plus; Privacyguard; Secure All; Shoppers Advantage; Small Business Central; Travelers Advantage; Apple Super Value Plus; Capital Star Rewards; Charter Rewards; Checking Advantage; Checking Extras; Checking Plus; Checking Rewards; Do More; Enhanced Fraud Protection; Enhanced Fraud Protection Plus; Everyday Advantage; Family Benefits; Fireguard; First Benefits Banking; First Class Checking; Firstsecurity; Focus ID; Forum's Savings Plus; Fraud Plus; Fraud Plus - Card Patrol; Fraud Plus Protection; Fraud Prevention Plus; Fraud Protection; Fraud Protection Plus; Fraud Sentinel; Golden Club; ID Advantage Plan; Identity Guardian; Identity Protection; Identity Protection Plus; Identity Protector; Identity Safeguard; Identity Shield; Identity Theft Guardian; Identity Theft Protection; Jeff Davis Bank Fraud Defense; Members Protection Plus; Membership-Value Plus; Platinum Checking; Plus Package; Popular Benefits; Popular Business Benefits; Premier Checking; Premier Package; Privacy Plus; Protect and Save; PSE Secure; Rewards Package; Salin Secure; Save & Secure; Savers Advantage; Saver's Rewards; Savings Plus; Signature Benefits; Towperks; Ultimate

Package; Ultimate Value Option; Value Package; Value Plus; Wellness Extras; Complete Savings; Reservation Rewards; Shopper Discounts and Rewards; Travel Value Plus; Wallet Security; and WalletShield.

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