STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

In The Matter Of:

Yellow Pages, Inc.,
d/b/a www.YellowPagesInc.com,
Electronic Directories Company, LLC, and
John Wurth
Respondent.

_____/

File No. 06-47-CZ

Hon. Beverly Nettles-Nickerson

AG File No. 200604093

ASSURANCE OF DISCONTINUANCE

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Dated Filed: April 25, 2006

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
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In The Matter Of:

YELLOW PAGES, INC.,
d/b/a www.YellowPagesInc com,
ELECTRONIC DIRECTORIES
COMPANY, LLC, and JOHN WURTH

Respondent.

_____/

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ASSURANCE OF DISCONTINUANCE

Michael A. Cox, Attorney General of the State of Michigan, on behalf of the people of the State of Michigan, (hereinafter "Complainant"), and Yellow Pages, Inc , a Nevada corporation, d/b/a www.YellowPagesInc.com, Electronic Directories Company, LLC, a California limited liability company, and John Wurth, (hereinafter "Respondents") respectfully submit the following Assurance of Discontinuance, (hereinafter "Assurance") for filing in accordance with MCL 445.906(2)

I. ALLEGATIONS

Complainant alleges that Respondents violated Michigan Consumer Protection Act, ("MCPA"), MCL 445 901 et seq , by sending solicitation forms to consumers in the State of Michigan consisting of a check; that the check was part of what was described as an "instant cash back offer;" that the front of the check was devoid of any indication that the mailing was an offer for services or that by cashing the check, the consumer was contracting for services; that

where there was an indication that the check might be more than it appeared on the surface, the information provided was vague and sketchy; that on the back of the check and on a separate disclosure statement, the solicitations contained disclosures regarding the services offered, the terms on which they would be provided, and the consequences of endorsing the check, but that the placement of the disclosures on the back of the check and on the disclosure statements in lengthy paragraphs of small print made them inconspicuous; and that the check was misleading. Complainant alleges that Respondents also violated the Michigan Consumer Protection Act ("MCPA"), MCL 445.901 et seq., by sending renewal notices to consumers to solicit payment of money, which notices the Complainant alleges reasonably could have been considered a bill, invoice or statement of account due, without providing disclosures allegedly required by law under the Postal Reorganization Act, 39 U.S.C. section 3001 (d), and the Domestic Mail Manual (DMM section CO31, parts 1.1–1.6.)

II. DEFINITIONS

A. "YPI" means Yellow Pages, Inc., a Nevada corporation, d/b/a www.YellowPagesInc.com, its employees, officers, directors, agents, successors, assignees, affiliates, merged or acquired predecessors, parent or controlling entities, and all other persons or entities acting in concert or participation with it.

B. "EDC" means Electronic Directories Company, LLC, a California limited liability company, its employees, officers, directors, agents, successors, assignees, affiliates, merged or acquired predecessors, parent or controlling entities, and all other persons or entities acting in concert or participation with it.

C. "Prior Customers" means all Michigan businesses, organizations and other persons that cashed one or more of YPI or EDC's check solicitations prior to entry of this Assurance.

D. "Prior Paying Customers" is the subset of "Prior Customers" that cashed one or more of YPI or EDC's check solicitations prior to the entry of this Assurance and made a payment of any amount to YPI or EDC or a collection agency for the services described in such YPI/EDC check solicitations.

III. STIPULATIONS

The parties wish to make the following stipulations and agree to the entry of this Assurance.

A. The parties have previously entered into a Settlement Agreement regarding the issues set forth in this Assurance. It is stipulated that this Assurance subsumes the Settlement Agreement and constitutes a full and final resolution between Complainant, YPI, EDC, John Wurth and all existing and/or former owners, officers, directors and/or employees of YPI and EDC of all claims arising out of or related to the YPI/EDC's check solicitation and/or check solicitation renewal forms. Consumer claims or private rights of action are not released through this settlement.

B. YPI and EDC represent and warrant that their collection agency (commonly known as Continental Recovery Service ("CRS") was not involved in the design or implementation of the check solicitation program, that they have instructed CRS to cease all collection activity arising out of the check solicitation program, and CRS has confirmed that it has in fact discontinued all such activities. Based upon those representations and warranties, it is further stipulated that this Assurance constitutes a full and final resolution between Complainant

and CRS and CRS's existing or former owners, officers, directors, employees, agents and servants of all claims and collection efforts arising out of the form of YPI/EDC's check solicitation and/or check solicitation renewal forms; provided however, for the avoidance of doubt, the foregoing shall not release any claims against such collection agency that do not expressly arise from the form of YPI/EDC's check solicitation (e.g., claims of unfair debt collection practices not dependent on the form of the solicitation itself or claims that CRS did not comply with licensing, registration or bonding requirements). Additionally, CRS will not be released of any claim for any collection actions they pursue after the date of entry of this Assurance. CRS is an intended beneficiary of this release. If any of the representations or warranties made by YPI and EDC regarding their collection company, CRS, are found not to be true the release of CRS shall be completely void.

It is further stipulated that Respondents deny that their conduct has in any way been unlawful. It is further stipulated that the parties have consented to the entry of this Assurance, without trial or adjudication of any issue of fact or law, solely in an effort to avoid the expense, burden, and uncertainty of litigation, and that this Assurance does not constitute an admission of liability by Respondents.

IV. TERMS OF COMPLIANCE

In response to the allegations stated above, but without admitting the truth or falsity of the allegations, Respondents agree and voluntarily assure that from the date of the signing of this assurance, Respondents will cease from:

A. Directly or indirectly sending consumers in the State of Michigan and consumers anywhere in the United States from Michigan any solicitation that is in the form of a check

which, when cashed or deposited by the consumer, purports to obligate the consumer to pay for any of Respondents' goods or services.

B. Engaging in any collection effort, either directly or by third party collection agency, against any Prior Customer for YPI or EDC's services that are the subject of the terms of the agreement arising out of such Prior Customer's deposit of a YPI or EDC check solicitation;

C. Utilizing or attempting to enforce any form of automatic renewal of contracts as to any Prior Customer based on the terms of YPI or EDC's check solicitation, or failing to provide that any renewal of contracts arising out of YPI or EDC's check solicitation is to be done by allowing the customer to "opt in" to the renewal, as opposed to "opting out."

D. Sending a renewal notice to, or otherwise attempting to renew the purported contracts of, any Prior Customer who is not also a Prior Paying Customer

E. Sending a renewal notice or renewal form in connection with any agreement arising out of the YPI/EDC check solicitation (hereinafter, a "Check Solicitation Renewal Form") to a Prior Paying Customer which does not comply with the Postal Reorganization Act, 39 U.S.C. section 3001 (d), and Domestic Mail Manual (DMM) section CO31, parts 1.1.–1.6. For the purpose of sending renewal notices to Prior Paying Customers in connection with YPI/EDC check solicitations only, and for the purpose of this negotiated settlement only, a Check Solicitation Renewal Notice substantially in the form of the renewal notice attached as Exhibit A, will be deemed to be in compliance with the Postal Reorganization Act, 39 U.S.C. section 3001 (d), the Domestic Mail Manual (DMM) section CO31, parts 1.1–1.6.

F. The restrictions in paragraphs B through E relate to business arising out of the use of the check solicitation, and not other business

V. RESTITUTION

Further, Respondents agree and voluntarily assure that from the date of the signing of this assurance, Respondents will perform the following:

A. If, as of the date of this Assurance, any Prior Customer has not paid for YPI or EDC's services such Prior Customer shall be deemed by YPI and EDC to have canceled any purported contract with YPI or EDC, and shall be canceled out of billing.

B. If YPI or EDC has received or learned about a complaint from any Prior Paying Customer before the date of filing of this Assurance, whether from the customer directly or through any state or Federal agency or entity such as the Better Business Bureau or third party collection agency, to the extent YPI or EDC has not previously made a refund, YPI and EDC shall, within thirty days from the filing date of this Assurance, pay a refund of any sums paid by said customer in connection with the applicable YPI/EDC check solicitation and related agreement, less the amount of the check cashed by the consumer, and cancel the contract for such customer.

C. If YPI or EDC receive a complaint from any Prior Paying Customer which is made within 60 days after the date of filing of this Assurance, whether from the customer directly or through any state or Federal agency or entity such as the Better Business Bureau, to the extent YPI or EDC has not previously made such refund, YPI and EDC shall, within 30 days of receipt of the complaint, pay a refund of any sums paid by said customer in connection with the applicable YPI/EDC check solicitation and related agreement, less the amount of the check cashed by the consumer, and cancel the contract for such customer.

D. If YPI or EDC has received or learned about a complaint from a customer in connection with a Check Solicitation Renewal Form before the date of filing of this Assurance, or if YPI or EDC receive a complaint from a customer in connection with a Check Solicitation

Renewal Form which is made within 60 days after the date of filing of this Assurance, whether from a customer directly or through any state or Federal agency or entity such as the Better Business Bureau, to the extent YPI or EDC has not previously made such refund, YPI and EDC shall, within 30 days of the date of this Assurance, or within 30 days of receipt of the complaint, which ever is later, pay a refund of any sums paid by said customer in connection with the Check Solicitation Renewal Form and cancel the applicable contract for such customer.

E YPI and EDC shall prepare a report containing the name, address and phone number of all complaining consumers under paragraphs B through D above, the date the complaint was received, and the date and amount refunded for all complaining consumers in Michigan and deliver it to counsel for Complainant within 120 days after the date of filing of this Assurance.

F YPI and EDC represent and warrant that they have not reported adverse credit information about any Prior Customer in connection with YPI/EDC's check solicitation to any credit reporting agency and that they have been informed by CRS that CRS also has not reported adverse credit information about any Prior Customer in connection with YPI/EDC's check solicitation to any credit reporting agency.

VI. ACKNOWLEDGMENT OF RECEIPT OF ASSURANCE BY RESPONDENTS' AGENTS

It is further agreed that, within five (5) business days after receipt by Respondents of this Assurance as entered by the Court, each officer, director, and each individual serving in a management capacity of Defendant YPI and EDC shall submit to counsel for Complainant a truthful sworn statement, in the form shown on Exhibit B to this Assurance, that shall acknowledge receipt of this Assurance.

VII. DISTRIBUTION OF ASSURANCE BY RESPONDENTS

It is further agreed that, for a period of three (3) years from the date of entry of this Assurance, Respondents shall:

A. Provide a copy of this Assurance to, and obtain a signed and dated acknowledgment of receipt, or proof of service, from each officer, director, and each individual serving in a management capacity, whether designated as employees, consultants, independent contractors, or otherwise, immediately upon employing or retaining any such persons, for any business where Respondents are the majority owner of the business or directly or indirectly manages or controls the business, and where the business uses solicitation checks; and

B. Maintain and, upon reasonable notice, make available to counsel for Complainant, the original signed and dated acknowledgments of the receipt, or proof of service, of copies of this Assurance, as required in Subsection (A) of this Paragraph

VIII. RECORD KEEPING PROVISIONS

It is further agreed that, for a period of three (3) years from the date of entry of this Assurance, in connection with any business where Respondents are the majority owner of the business or directly or indirectly manage or control the business, and where the business uses solicitation checks, Respondents are hereby restrained and enjoined from failing to create, and from failing to retain for a period of three (3) years following the date of such creation, unless otherwise specified, the following records:

A. Books, records, and accounts that, in reasonable detail, accurately and fairly reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;

B. Records accurately reflecting: the name, address, and telephone number of each person employed by such business, including independent contractors; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable The businesses subject to this Paragraph shall retain such records for any terminated employee for a period of two (2) years following the date of termination;

C. Records containing the names, addresses, phone numbers, dollar amounts paid, quantity of items and services purchased, and description of the items and services purchased, for all consumers to whom such business sold, invoiced, or shipped any goods and services;

D. Records that reflect, for every consumer complaint or refund request known to have been received:

1. The consumer's name, street address, telephone number, and dollar amount paid by the consumer;

2. The complaint or refund request, if any, and the date of the complaint or refund request;

3. The basis of the complaint, if any, including the name of any employee or agent complained against, and the nature and result of any investigation conducted concerning the complaint;

4. Each response by Respondents and the date of the response;

5. Any final resolution and the date of the resolution; and

6 In the event of a denial of a refund request, the reason for the denial

E. Copies of all advertisements, solicitations or other marketing materials used by Respondents; *provided* that copies of all advertisements, solicitations or other marketing

materials utilized shall be retained for three (3) years after the last date of dissemination of any such materials

IX. AUTHORITY TO MONITOR COMPLIANCE

It is further agreed that Complainant is authorized to monitor Respondents' compliance with this Assurance by all lawful means, including, but not limited to, the following:

A. For a period of three (3) years from the date of entry of this Assurance, Complainant is authorized, without further leave of court, to obtain discovery from any person for the purpose of monitoring Respondents' compliance with any provision of this Assurance;

B. Complainant is authorized to use representatives posing as consumers or suppliers to Respondents, Respondents' employees, or any other entity managed or controlled in whole or in part by Respondents, without the necessity of identification or prior notice; and

C. Nothing in this Assurance shall limit Complainant's lawful use of compulsory process to determine whether Respondents have violated any provision of this Assurance

X. ACCESS TO BUSINESS PREMISES

It is further agreed that, for a period of three (3) years from the date of entry of this Assurance, for the purpose of further determining compliance with this Assurance, Respondents shall permit counsel for Complainant, within four (4) business days of receipt of written notice from counsel for Complainant:

A. Access during normal business hours to any office or facility storing documents of any business where Respondents are the majority owner of the business or directly or indirectly manage or control the business, and where the business uses solicitation checks. In providing such access, Respondents shall permit counsel for Complainant to inspect and copy all

unprivileged documents relevant to any matter contained in this Assurance; and shall permit counsel for Complainant to remove such documents relevant to any matter contained in this Assurance for a period not to exceed two (2) business days so that the documents may be inspected, inventoried, and copied; and

B. To interview the owners, officers, directors, and employees, including all personnel involved in responding to consumer complaints or inquiries, and all sales personnel, whether designated as employees, consultants, independent contractors or otherwise, of any business to which Subsection (A) of this Paragraph applies, concerning matters relating to compliance with the terms of this Assurance. The person interviewed may have counsel present, and counsel for Respondents may be present as well.

XI. PAYMENT TO THE STATE

It is further agreed that YPI and EDC shall pay the State of Michigan the amount of $10,000.00 for costs and attorneys fees, as directed by the Attorney General in accordance with applicable state law This amount has been paid by YPI and EDC through a payment to the Office of the District Attorney of Orange Country, California. The Office of the District Attorney of Orange County shall distribute to the State this amount, payable to the State of Michigan, within 30 days of entry of this Assurance

XII. GUARANTEE

By his signature below, John Wurth guarantees the payment by YPI and EDC of the obligation to pay refunds to consumers as outlined in Section V and the obligation to pay to the State of Michigan the amounts set forth in Section XI of this Assurance. In the event of default by YPI or EDC of any payment obligation due under Sections V and XI, John Wurth shall pay

within five (5) days of default by YPI or EDC, the amounts owed to consumers and to the State of Michigan. This guarantee shall remain in full force and effect until all amounts payable under Sections V and XI have been fully paid. If amounts remain unpaid for 10 days after John Wurth has been sent a notice, by regular mail, of any amounts remaining payable under Sections V and XI, the court may enter judgment against John Wurth, for the remaining amounts owed under the sections. Notice of the amounts remaining payable may be mailed to John Wurth at 631 S. Manchester Ave., Anaheim, California 92802.

XIII. RETENTION OF JURISDICTION

It is further agreed that this Court shall retain jurisdiction of this matter for the purpose of enabling the parties to apply to the Court at any time for such further orders and directives as may be necessary or appropriate for the interpretation or modification of this Assurance, for the enforcement of compliance therewith, or for the punishment of violations thereof

XIV. COMPLETE SETTLEMENT

The parties hereby consent to entry of the foregoing Assurance which shall constitute a final settlement of claims of the Complainant arising from the subject matter of this Assurance; (to wit: the YPI/EDC check solicitation and/or check solicitation renewal forms) and stipulate and agree that the execution of this Assurance shall constitute a full, complete and final settlement of this action It is also understood by the Respondents, however, that the subsequent failure to comply with the terms of this Assurance is *prima facie* evidence of

a violation of the MCPA, MCL 445 901, et seq.

Respondents:

YELLOW PAGES, INC.

Date: 4-20-2006

By: _____
John Wurth, President
Yellow Pages, Inc.

ELECTRONIC DIRECTORIES
COMPANY, LLC

Date: 4-20-2006

By: _____
John Wurth, President
Electronic Directories Company, LLC.

Date: 4-20-2006

By: _____
John Wurth, Individually and as Guarantor

MICHAEL A. COX
ATTORNEY GENERAL

Date: 4/24/06

By: _____
Kathy Fitzgerald (P31454)
Assistant Attorney General

Date: 4-24-06

By: _____
Nancy A. Piggush (P28801)
Assistant Attorney General
Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909
(517) 335-0855

EXHIBIT A

EXHIBIT A

YELLOW PAGES, INC

Yellow Pages, Inc.
P.O. Box 60007
Anaheim, CA 92812-6007
888.333.0050

RENEWAL NOTICE
Yellow Page Advertisement

DATE	CUSTOMER	DUE DATE

DESCRIPTION	AMOUNT
THIS IS NOT AN INVOICE. THIS IS AN OFFER TO RENEW YOUR ADVERTISING WITH YPI. YOU ARE UNDER NO OBLIGATION TO PAY FROM THIS NOTICE UNLESS YOU WANT TO RENEW.	

©Copyright Protected 1998, 1999, 2000, 2001, 2002, 2003 Yellow Pages, Inc. All rights reserved.
YP-R-AD-CHK-3-06

PLEASE DETACH AND RETURN BOTTOM PORTION WITH PAYMENT

☐ My check is enclosed – Make payable to YELLOW PAGES, INC.
☐ Bill me P.O.# _____
☐ Charge my Credit Card ☐ ☐ VISA ☐ ☐

Card#_____ Exp. _____

Authorizing Signature
X_____

This applicant hereby requests the advertising described above to be placed in the Yellow Pages, Inc. Business Directory and acknowledges having read, understood and agreed to the terms and conditions on the reverse side of this order form. The signatory grants permission to pre-authorized debit entries (and to initiate credit entries) to the same checking, savings or credit card account used in payment of the current transaction. ORDER FORMS RECEIVED WITH SIGNATURE BUT WITHOUT PAYMENT WILL BE INVOICED.

Print Name_____ Title_____

RENEWAL AMOUNT $	

RENEWAL NOTICE FOR ENHANCED LISTING

Yellow Pages, Inc.
P.O. Box 60007
Anaheim, CA 92812-6007

888.333.0050

YELLOW PAGES, INC.
YP-R

207414 LTR17015_Tuesday, April 11, 2006 12:10:34_

BLACK FPO Stub Holes

MAGENTA

EXHIBIT B

Exhibit B

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

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YELLOW PAGES, INC.,
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Hon. Beverly Nittles-Nickerson

AG File No. 200604093

ACKNOWLEDGMENT

I, _____, hereby state and affirm as follows:
[Name]

1. My name is _____, and I hold the position of _____ of Yellow Pages, Inc (or Electronic Directories, LLC).

2. On _____, I received a copy of the ASSURANCE, which was signed by the Court on _____, 2006. A true and correct copy of the ASSURANCE I received is appended to this Declaration

3 I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct

_____
Signature