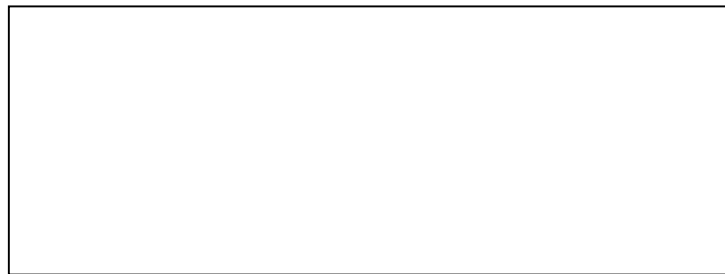




**Office of the Attorney General  
Robert E. Cooper, Jr.**

**Department of Commerce and  
Insurance  
Commissioner Paula Flowers**

## **NEWS RELEASE**



|                              |                     |
|------------------------------|---------------------|
| <b>FOR IMMEDIATE RELEASE</b> | <b>CONTACT:</b>     |
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### **TENNESSEE REACHES AGREEMENT WITH TRILEGIANT CORP., CHASE BANK FOR "LIVE CHECK" AND OTHER SOLICITATIONS; CONSUMERS HAVE SEPT. 6, 2007 DEADLINE FOR REFUNDS**

The State of Tennessee today entered into two 15-state agreements totaling \$14.5 million with Chase Bank and Trilegiant Corp. to resolve allegations they deceived consumers into buying membership programs to get discounts on car and home repair, shopping, and other benefits.

"When you receive a check in the mail, the natural thing to do is try to endorse and deposit it," Tennessee Attorney General Bob Cooper said following today's announcement. "Before you sign the back of a check or redeem a gift card or voucher, make sure you carefully read all the terms and conditions. Some solicitations, even ones offering you what looks to be free money, may end up actually costing you much more in the long run."

Consumers, meanwhile, who have not already complained to the State or to Trilegiant, have until Sept. 6, 2007 to do so in writing. The agreement requires Trilegiant to pay a combined \$8.325 million in restitution to all consumers in Tennessee and the

other 14 states. Trilegiant and Chase also will pay \$6.175 million to the settling states, which includes attorneys' fees and costs. Tennessee will receive \$358,000 from Trilegiant and \$125,000 from Chase.

The State alleges Chase and Trilegiant solicited consumers with offers of "free" trials in membership programs, without adequately informing consumers they would be charged automatically if they did not cancel within a specified period of time.

The solicitations often included a check for a small amount of money, from \$2 to \$15, which consumers often thought were rebates or rewards from their credit card companies. By cashing the check, however, the consumer allegedly agreed to pay for the membership program after the trial offer ended. The solicitations were often included in the consumers' mortgage or credit card statements or in mailings with Chase's logo on the envelope and letterhead. This tactic prevented consumers from realizing the solicitations were in fact sent by Trilegiant.

If consumers did not cancel within the required time, Trilegiant automatically billed the membership fees to consumers' credit cards or loan statements on either a monthly or yearly basis, the complaint against Trilegiant alleges. Those charges continued until the consumer cancelled, many of whom had several memberships before they realized it.

The membership programs include, but are not limited to, AutoVantage Gold Service, AutoVantage Service, Buyers Advantage Service, CompleteHome Service, Just for Me, Pet Privileges Service, Shoppers Advantage Service and Travelers Advantage Service.

Chase and Trilegiant allegedly agreed to give Trilegiant access to Chase's customers to market the membership programs. In soliciting Chase customers, Trilegiant used Chase's name. Chase reviewed and approved marketing materials used by Trilegiant, according to the investigation.

In the future, Trilegiant, or any other company that solicits Chase customers in a similar manner must clearly disclose all terms of any "free trial." The agreement also forbids Chase and Trilegiant from engaging in deceptive marketing of these membership programs.

Consumers who signed up for membership in a Trilegiant club and who were first charged membership fees on or after July 1, 2001 are eligible to receive refunds. Additionally, Trilegiant is required to notify consumers if they have active memberships and inform them how to cancel those memberships. Consumers who have already complained to the Division of Consumer Affairs or the Attorney General will receive full refunds.

In addition to Tennessee, the Attorneys General in the following states joined the agreement: Alaska, California, Connecticut, Illinois, Iowa, Maine, Michigan, Missouri, New Jersey, North Carolina, Ohio, Oregon, Pennsylvania, Vermont and Washington.

Other business-entity parties to the agreement are Chase Home Finance, LLC and TRL Group, Inc. All of the companies involved denied any wrongdoing and have denied the allegations asserted by the States.

Consumers should monitor their mail for any notices from Trilegiant. Written complaints requesting refunds for unauthorized charges can be submitted to the Division of Consumer Affairs, 500 James Robertson Parkway, Nashville, TN 37243-0600 by no later than Sept. 6, 2007 to be eligible for a refund under the agreement.

Consumers who have unknowingly endorsed "live checks" or redeemed other items and have then been billed for membership programs should contact the Division of Consumers Affairs at 1-800-342-8385 (toll-free inside Tennessee) or (615) 741-4737.

A sample Trilegiant/Chase "live check" solicitation can be viewed at the Attorney General's Website at:

**<http://www.attorneygeneral.state.tn.us/press/2006/story/pr45.pdf>**