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Attorney General Catherine Cortez Masto Announces Settlement With Negative Option Marketer

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

Las Vegas, NV-Attorney General Catherine Cortez Masto and the Attorneys General of 45 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. Nevada will receive \$250,000 as its share of the settlement monies.

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” that present these programs to consumers, often immediately after the consumer has engaged in a transaction with that partner. Affinion charges a monthly fee to consumers for these services, which continues until the consumers affirmatively cancel.

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 had trouble canceling or getting a refund. Other consumers were confused about Affinion’s involvement because the offers looked like they came from Affinion’s marketing partners, which were often banks or retailers with which the consumers did business.

Today’s agreement includes several changes to Affinion’s business model, including requirements that Affinion provide clear and conspicuous information to consumers after enrollment regarding their membership, periodic reminders of their enrollment, and of changes to Affinion’s cancellation practices. Further, Affinion is prohibited from any activities that enroll consumers in membership programs without express authorization.

Affinion is establishing a fund of approximately \$19 million to provide refunds to some consumers who received unauthorized charges for Affinion’s programs. Consumers who believe they were improperly charged by Affinion, Trilegiant, or Webloyalty can call the Nevada Attorney General’s Consumer Protection hotline at (702) 486-3132 for information about the settlement or can file consumer complaints directly with the Nevada Attorney General’s Office at http://ag.nv.gov/Complaints/File_Complaint/. Consumers should check their credit card and bank account statements for the names of Affinion’s membership programs, as often that is how the

company's charges appear on their bills. A complete list of Affinion's membership programs are listed here:

http://ag.nv.gov/uploadedFiles/agnv.gov/Content/News/PR/PR_Docs/2013/CoveredMarketingPartners_Affinion.pdf

The complete settlement terms and refund eligibility can be found here:

http://ag.nv.gov/About/Consumer_Protection/Lawsuits/

The States included in the settlement are Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the District of Columbia. The states that led the investigation were California, Texas, Tennessee, Iowa, Vermont, Washington, Oregon, Maine, and Illinois.