

STATE OF MAINE,)
)
 Plaintiff)
)
 v.)
)
 DYNAMARK SECURITY CENTERS,)
 INC., a corporation)
 incorporated under the)
 laws of the State of)
 Maryland,)
)
 Defendant)

ASSURANCE OF DISCONTINUANCE

REC'D & FILED
BEAR VALERIE PAGE

MAY 29 1985

CLERK OF SUPERIOR COURT

INTRODUCTION

1. Pursuant to the Unfair Trade Practices Act, 5 M.R.S.A. §§ 206-214 (1979 & Supp. 1985), the Attorney General has examined the practices of Dynamark Security Centers, Inc. ("Dynamark") with reference to its advertising and promotion of franchise or business opportunities for the sale of Dynamark security systems and its marketing materials distributed to dealers or franchisees for the sale of such systems to the public.

FINDINGS OF THE ATTORNEY GENERAL

2. Dynamark is a Maryland corporation, with offices in Charlottesville, Virginia, and engages in business in the State of Maine by soliciting persons to purchase franchises for the distribution of Dynamark security systems.

3. From on or about October, 1984 to December, 1985, Dynamark has been soliciting persons in Maine to purchase franchises for the sale of security systems under the trademark "Dynamark." Dynamark has provided Dynamark dealers and franchisees in the State with burglar and fire alarm systems and marketing materials to promote such systems.

4. From on or about February, 1984 to December, 1985, Dynamark has made false, misleading or deceptive representations in connection with the sale of Dynamark franchises including, but not limited to, the following:

a. Dynamark has advertised job openings in Maine for "operations managers," with earnings or compensation ranging from \$40,000 to \$60,000, when, in fact, such job openings did not exist in Maine at the time of the advertisements. Dynamark intended to solicit, and did solicit, persons responding to the advertisements to purchase a Dynamark franchise;

b. Dynamark represented that dealers or franchisees could earn \$40,000 to \$60,000 annually, when, in fact, Dynamark did not have a reasonable basis for making such a representation for sales in Maine;

c. Dynamark represented that it would assist franchisees, at no added cost, to insure that their businesses were profitable or successful, when, in fact, such assistance was available only at additional cost to the franchisees; and

d. Dynamark has made representations to prospective dealers or franchisees concerning potential sales, income, gross or net profit for the prospective dealer or franchisee, when, in fact, at the time of such representations, Dynamark did not have a reasonable basis for the representations and such representations did not relate to the market for Dynamark's products in the State of Maine.

5. Dynamark has provided dealers and franchisees with materials for marketing Dynamark security systems to consumers, which materials are false, misleading, or deceptive, including, but not limited to, the following:

a. Telephone scripts for the scheduling in-home demonstrations, which misrepresent the purpose of the dealer's and/or franchisee's visit to the consumer's home, in that the dealer or franchisee represents that he wants to visit the consumer's home in order to present a crime awareness program, when, in fact, the primary purpose of the visit of the dealer and/or franchisee is the sale of a Dynamark security system; and

b. "Crime and You," a video cassette recording shown as part of the in-home demonstration: the film purports to be an objective documentary and/or docu-drama on how members of the public can protect themselves from crime when, in fact, it is an advertisement calculated to sell the consumer a residential security system.

ASSURANCE OF DISCONTINUANCE

WHEREFORE, Dynamark, pursuant to 5 M.R.S.A. § 210 (1979), without admitting the allegations of the Attorney General, assures the Department of the Attorney General that Dynamark, its successors and assigns, and any persons acting for Dynamark or under its control, will:

1. Refrain from advertising any employment opportunity with Dynamark or its franchisees or with dealers, unless the opportunity, in fact, exists at the time of the advertisement;

2. Refrain from making any false, deceptive, or misleading representations in connection with the sale of a Dynamark franchise;

3. Refrain from making any representations concerning potential sales, income, gross or net profits, without complying with the disclosure requirements prescribed by the FTC under 16 C.F.R. Part 436; and

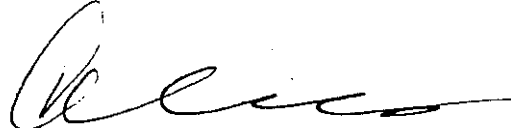
4. Discontinue providing dealers or franchisees with any materials which make false, deceptive, or misleading representations to the public in connection with the sale of Dynamark security systems or which encourage dealers or franchisees to make false, deceptive or misleading representations to the public;

5. Pay in accordance with the Promissory Note, attached hereto as Exhibit A, \$15,124.44 to the Department of the

Attorney General as restitution in the form of payment for the repurchase of a Dynamark franchise from a former franchisee.

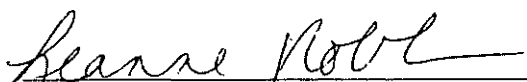
FOR DYNAMARK SECURITY CENTERS, INC.:

DATED: *May 22, 1986*


CARL ZWISLER, Esq.
Attorney for Dynamark
Security Centers, Inc.

FOR THE STATE OF MAINE:

DATED: *May 22, 1986*


LEANNE ROBBIN
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(207) 289-3661

Attorney for State of Maine

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SEAN VALENE FAX

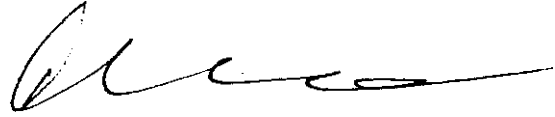
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PROMISSORY NOTE

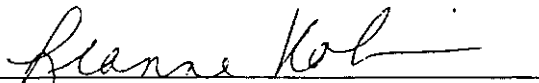
Dynamark Security Centers, Inc. agrees to pay the Department of the Attorney General \$15,124.44, with interest at 8 percent per annum, payable in six equal monthly installments, the first installment to be due and payable on July 1, 1986. This payment is in consideration for the Dynamark's repurchase of William Riley's franchise and the State's agreement to enter into the Assurance of Discontinuance, dated May 22, 1986.

For Dynamark Security
Centers, Inc.



CARL ZWISLER, Esq.
Attorney for Dynamark
Security Centers, Inc.

Dated: *May 22, 1986*


Witness

Dated: *May 22, 1986*

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CLERK VALERIE FAG.

MAY 20 1986

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