

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT

DYNAMARK, INC.)
)
)

ASSURANCE OF DISCONTINUANCE

INTRODUCTION

1. Pursuant to the Unfair Trade Practices Act, 5 M.R.S.A. § 206 et seq., the Attorney General has examined the practices of Dynamark, Inc. (hereinafter referred to as Dynamark) with regard to its advertising and promotion of the sale of burglar and fire alarms.

2. Dynamark voluntarily enters the following Assurance of Discontinunace with the Consumer and Antitrust Division of the Department of the Attorney General. Dynamark does not admit any liability or any violation of the Unfair Trade Practices Act by entering into this Assurance. Additionally, Dynamark specifically denies each and every finding of the Attorney General.

NATURE OF TRADE AND COMMERCE

3. Dynamark is a Virginia corporation with offices in Charlottesville, Virginia. Dynamark transacts business within

the State of Maine as follows: Dynamark establishes distributorships for the sale of Dynamark burglar and fire alarms within this State. In addition, Dynamark supplies its distributors with fire and burglar alarms as well as promotional materials.

4. Dynamark distributors sell burglar and smoke alarms under the trademark Dynamark to consumers in this State through a variety of means including telephone and door-to-door solicitations.

5. The alarms sold by Dynamark are smoke detectors as defined by 25 M.R.S.A. § 2464.

6. Pursuant to 25 M.R.S.A. § 2464, no smoke alarms may be used in this State without receiving prior approval from the State Fire Marshall.

FINDINGS OF THE ATTORNEY GENERAL

7. In the opinion of the Attorney General Dynamark has used unfair and deceptive practices in its transaction of business within the State of Maine in violation of 5 M.R.S.A. § 207, including the following:

FIRST VIOLATION:

8. Dynamark provides or causes to be provided written telephone scripts to its distributors for use in making telephone solicitations. These telephone scripts explain that the purpose of the Dynamark representative's phone call and visit is to provide information on home safety.

9. The telephone scripts provided by Dynamark or under Dynamark's direction do not indicate to consumers that the actual purpose of the telephone call and subsequent home visit is to sell burglar and fire alarms.

10. Dynamark's conduct in providing or causing to provide these telephone scripts to its Maine distributors constitutes, in the opinion of the Attorney General, an unfair and deceptive practice in violation of 5 M.R.S.A. § 207.

SECOND VIOLATION:

11. Dynamark has supplied burglar and smoke detectors to distributors in this State which have not been approved in the State of Maine by the State Fire Marshall pursuant to 25 M.R.S.A. § 2464. Dynamark's smoke alarms and smoke detectors sold in this State are now approved by the State Fire Marshall pursuant to § 2464.

12. Dynamark's conduct in supplying distributors with unapproved smoke detectors for sale in this State constitutes,

in the opinion of the Attorney General, an unfair and deceptive practice in violation of 5 M.R.S.A. § 207.

ASSURANCES OF DYNAMARK

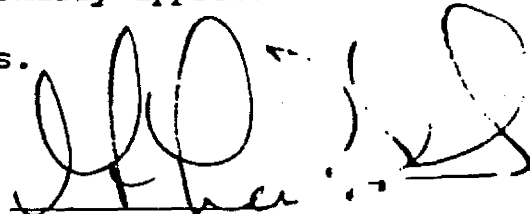
WHEREFORE, Dynamark, pursuant to 5 M.R.S.A. § 210 and without making any admission as to any issue of law or fact, and denying any liability under the Unfair Trade Practices Act, assures the Department of the Attorney General that it and any persons acting for it or under its control will:

- a) Will not provide its distributors with telephone scripts which inform prospective customers that the primary purpose of a visit from a Dynamark distributor's salesman is to provide information on fire and crime safety.
- b) Explain in any telephone script it provides its employees, agents, contractors or distributors and will urge its distributors to explain in their telephone script that the primary purpose of the contact by a salesman of a Dynamark distributor is to solicit the consumer to purchase fire or burglar alarms.
- c) Not provide literature to Dynamark distributors which represents national crime rates without indicating what such crime rates are in the State of Maine.

- d) Not provide promotional literature to Dynamark distributors which presents statistics concerning the extent of fire and fire-related damage in the United States without: (i) stating the source and date of the statistics, and (ii) using the most current reliable statistics.
- e) Not sell or provide to Dynamark distributors smoke detectors which have not been approved by the State Fire Marshall pursuant to 25 M.R.S.A. § 2464.
- f) Provide the Department of the Attorney General upon seven days written notice a list of all Dynamark distributors currently operating within the State of Maine.
- g) For a period of three years from the date of this assurance provide a copy of this Assurance of Discontinuance to: (I) all current Dynamark distributors within seven days of the date of this Assurance, and (II) to all additional Dynamark distributors within three days of the date upon which a distributorship agreement is signed.
- h) Not provide promotional literature to Dynamark distributors which states that Dynamark's security system meets the guidelines established by the National Institute of Crime Prevention, the National Fire Protection Association

and law enforcement agencies without also indicating that the National Institute of Crime Prevention, the National Fire Protection Association and law enforcement agencies have neither formally approved nor endorsed Dynamark security systems.

DATED:


G. LEE ZOBEL
President, Dynamark, Inc.

~~STATE OF MAINE~~ STATE OF VIRGINIA

~~KENNEBEC COUNTY~~ COUNTY OF ALBEMARLE, SS.

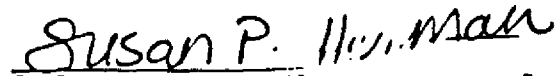
Personally appeared the above-named G. Lee Zobel and made oath to the truth of the statement by him subscribed.

DATED:

29th September, 1983


NOTARY PUBLIC

My Commission Expires 3/25/85


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