

ASSURANCE OF DISCONTINUANCE

IN THE MATTER OF WORKPLACE COMPLIANCE SERVICES

This Assurance of Discontinuance (“Assurance”) is entered into between the State of Colorado, *ex rel.* Philip J. Weiser, Attorney General for the State of Colorado (“the State”), and ANS Inc., doing business as Workplace Compliance Services (“Workplace Compliance”) pursuant to the Attorney General’s powers under Colo. Rev. Stat. section 6-1-110(2). This Assurance constitutes a complete settlement between the State and Workplace Compliance (the “Parties”) regarding the State’s allegations that Workplace Compliance violated the Colorado Consumer Protection Act (“CCPA”).

I. PARTIES

1. Philip J. Weiser is the duly elected Attorney General for the State of Colorado and has jurisdiction to investigate and prosecute violations of the CCPA, C.R.S. sections 6-1-101 to 6-1-116.

2. ANS, Inc is a Michigan business with a principal office address of 7521 Westshire Drive Suite 100, Lansing, MI 48917.

3. ANS, Inc. is registered as the true name of Workplace Compliance Services with the Colorado Secretary of State.

4. ANS, Inc. is a Foreign Entity registered with the Colorado Secretary of

State.

5. At all times relevant to the conduct described in this Assurance, Workplace Compliance Services has conducted business in Colorado.

II. DEFINITIONS

6. Unless otherwise specified, all definitions found in C.R.S. § 6-1-102 are incorporated herein, and any terms defined in those sections shall have the same meaning when used in this Assurance.

7. “Workplace Compliance Services,” and like terms mean “Workplace Compliance Services,” “ANS, Inc.” and “B.C.S.” and all of its predecessors, successors, officers, Employees, agents, subsidiaries, representatives, Affiliates, attorneys and all other persons acting on their behalf, including but not limited to Workplace Compliance Services and ANS, Inc.

8. The term “Affiliate” means any person, agent, corporation, partnership, business, association, independent contractor, subcontractor, or joint venture that acts in any capacity on behalf of a person or entity, or for whom such person or entity acts in any capacity.

9. The term “Claimant” means any person in Colorado who received a solicitation from Workplace Compliance Services, and paid money to Workplace Compliance Services from August 7, 2023 to the Effective Date of this Assurance.

10. The term “Employee” means all persons who receive compensation of any kind for services provided to Workplace Compliance, and includes but is not limited to all employees, officers, managers, members, directors, agents, independent

contractors, sub-contractors, interns, and any person to whom Workplace Compliance have provided compensation or remuneration of any kind.

11. The term “Preexisting Business Relationship” means a prior or existing relationship formed by a voluntary two-way communication between a person or entity and Workplace Compliance related to the goods or services Workplace Compliance provides.

12. The term “solicitation” is used as defined in § 6-1-733(1).

III. STATE ALLEGATIONS

A. Factual Allegations

13. In the course of Workplace Compliance’s business, it directly advertised to consumers and solicited a fee for filing periodic reports, which are documents filed with the Secretary of State.

14. The solicitation is styled in a way that is consistent with an invoice but is an offer to sell consumers services.

15. Workplace Compliance sent the solicitation to consumers who did not request the solicitation form or initiate the request for services. Workplace Compliance also sent the solicitation to consumers who did not have a bona fide, Preexisting Business Relationship with Workplace Compliance at the time of the solicitation.

16. The solicitation used by Workplace Compliance contains a deadline date in bold at the top of the document as well multiple citations to the Colorado statutes governing business entities throughout the body of the solicitation. Directions to

complete the form exactly to file a report, coupled with the threat of penalty for failing to file a periodic report, leads consumers to believe they must complete Workplace Compliance' forms and use Workplace Compliance' services in order to avoid the penalties and legal consequences.

17. Since August 7, 2023, Workplace Compliance's solicitation has failed to contain the following required statement at the top of the physical document: "This is an advertisement. This offer is not being made by, or on behalf of, any government agency. You are not required to make any payment or take any other action in response to this offer."

18. The solicitation used by Workplace Compliance appears to impose a legal duty on the person being solicited by directs consumers pay the amount on the form.

19. Workplace Compliance charges \$150 to file a periodic report with the Secretary of State.

20. Consumers can file a periodic report with the Secretary of State for \$10.

B. Legal Allegations

21. The State alleges that, through the conduct outlined above, Workplace Compliance has solicited consumers with a form that could reasonably be considered a bill, invoice, or compliance obligation.

22. Workplace Compliance did not have a bona fide, Preexisting Business Relationship with all the consumers they solicit, and consumers had not initiated a request for bona fide services.

23. Workplace Compliance does not state at the top of the solicitation, in the physical document, in at least twenty-four-point type, and in the same language as the solicitation: “This is an advertisement. This offer is not being made by, or on behalf of, any government agency. You are not required to make any payment or take any other action in response to this offer.”

24. Workplace Compliance’s solicitation sets forth a deadline date and appears to impose a legal duty on the consumer being solicited.

25. By not including the required disclaimers and by including prohibited deadline dates, Workplace Compliance violated C.R.S. §§ 6-1-733 and 6-1-105(1)(vvv).

26. Workplace Compliance thus unlawfully collected fees on top of the fees paid to the Secretary of State’s Office by soliciting consumers in violation of C.R.S. § 6-1-105(1)(vvv).

27. The State further alleges that Workplace Compliance included the name of a person in a document filed in the Secretary of State’s Office, as the registered agent for the company, without the named person’s written consent.

28. By including the name of a person as registered agent on a document filed in the Secretary of State’s Office without that person’s consent, Workplace Compliance violated C.R.S. § 7-90-314(1)(a)(I) and C.R.S. § 6-1-105(1)(ppp).

29. The State also alleges that Workplace Compliance included an address in a document filed in the Secretary of State’s office without the consent of the owner of or occupant of the included address.

30. By including an address in a document filed in the Secretary of State’s

office without the consent of the owner of or occupant of that address, Workplace Compliance violated C.R.S. § 7-90-314(1)(a)(I) and C.R.S. § 6-1-105(1)(ppp).

31. Finally, the State alleges that Workplace Compliance operated in the State of Colorado under the name B.C.S. without registering a trade name with Colorado Secretary of State.

32. By operating in the state of Colorado without registering a trade names, Workplace Compliance violated C.R.S. §§ 7-71-101 and § 7-71-102(2).

IV. DENIALS

33. Workplace Compliance denies the allegations above that it engaged in violations of the CCPA as alleged by the State, and enters into this Assurance of Discontinuance as a compromise of disputed claims.

V. LEGAL AUTHORITY

34. C.R.S. § 6-1-110(2) authorizes the Attorney General to accept an assurance of discontinuance for any deceptive trade practice listed in the CCPA. Section 6-1-110(2) also allows the Attorney General to accept a voluntary payment from Workplace Compliance of any amount necessary to restore to any person money acquired by means of a deceptive trade practice.

VI. RELIEF

35. As of the date of execution of this Assurance, Workplace Compliance's solicitations will comply with C.R.S. § 6-1-733.

36. Workplace Compliance will provide the State with a copy of its sample solicitation in compliance with C.R.S. § 6-1-733 at least 30 days prior to sending out

a form of solicitation to prospective Colorado customers.

37. Workplace Compliance has provided proof to the State that it has appointed a registered agent in the State of Colorado in compliance with C.R.S. § 7-90-701.

38. Workplace Compliance has provided proof to the State that it has changed its principal place of business to an accurate address in compliance with C.R.S § 7-90-705.

39. Workplace Compliance has provided proof to the State that it has properly registered a trade name with the Secretary of State in compliance with C.R.S § 7-71-101 and § 7-71-102(2).

VII. PAYMENT TO CONSUMERS

40. In response to the State's investigation, Workplace Compliance represents that it has already refunded or stopped payments from 50 Claimants in the amount of \$7,000.

41. In accordance with this Assurance, Workplace Compliance shall make an additional refund for payments the State alleges were made as a result of deceptive solicitations since August 7, 2023. The total amount due and owing is \$11,900. This amount relates to approximately 85 Claimants. The amount is payable to the Attorney General of the State of Colorado, in trust by the Attorney General, to be used in the Attorney General's sole discretion for reimbursement of attorneys' fees and costs, the payment of consumer restitution, if any, and for consumer education purposes, for future consumer protection enforcement, or public welfare purposes.

The State elects, however, in lieu of receiving payment directly to the Attorney General in the first instance, to direct Workplace Compliance to pay refunds to Claimants. To the extent that Workplace Compliance is unable to locate any Claimants entitled to a refund or to otherwise make a refund to a Claimant within 150 days, after 180 days such unpaid refunds or payments shall be paid to the State in accordance with paragraph 45 below. Workplace Compliance represents that it is now in the process of mailing these refunds to all Claimants as set forth below.

42. In order to effectuate this relief, Workplace Compliance will take steps to locate and confirm customer addresses before mailing the refund checks, and will make least one additional effort to ascertain customer addresses upon receipt of returned mail.

43. Within thirty (30) business days of Effective Date of this Assurance, Workplace Compliance shall provide the State proof of all payments it has made toward the \$11,900 as of that date.

44. No later than one hundred and fifty (150) days after execution of this Assurance, Workplace Compliance must submit the to the Attorney General a report regarding the refund program described herein. The report shall include, at a minimum, the following information for each Claimant:

- a. Name and address;
- b. The amount of refund paid to the customer;
- c. The date any refund was issued;
- d. Whether the costumer has cashed the refund check;

- e. A list of all checks cashed, uncashed or returned;
- f. Whether the mail was returned to Workplace Compliance as undeliverable; and
- g. The total amount remaining.

45. If, after making reasonable, good faith attempts to make all payments to former customers, any amount of the \$11,900 has not been paid (i.e., checks have not been cashed or customers were unable to be located), Workplace Compliance shall pay any unpaid amounts to the State within one hundred fifty (150) days after execution of this Assurance. On the same date, and to the extent not encompassed in the report set forth in paragraph 44, Workplace Compliance shall also provide proof of all payments made under the terms of this Assurance.

46. Within thirty (30) days after execution of this Assurance, Workplace Compliance Services shall pay the State \$7,000 for the reasonable costs of the investigation into this matter.

47. All payments to the State under paragraphs 45 and 46 are to be held, along with any interest thereon, in trust by the Attorney General to be used in the Attorney General's sole discretion for reimbursement of the State's actual costs and attorneys' fees, future consumer fraud or antitrust enforcement, consumer education, public welfare purposes, or consumer redress. All payments to the State shall be made payable to the Colorado Department of Law with a reference to "In re Workplace Compliance", and shall be delivered to:

Miriam Burnett, Administrative Assistant
c/o Conor A. Kruger, AAG

Consumer Fraud Unit
Colorado Department of Law
1300 Broadway, 7th Floor
Denver, Colorado 80203

VIII. ENFORCEMENT

48. The obligations set forth in this Assurance are continuing.

49. Workplace Compliance expressly agrees and acknowledges that the State may initiate a subsequent investigation, civil action, or proceeding to enforce this Assurance, for violations of this Assurance, or if the Assurance is voided pursuant to paragraph 53, and agrees and acknowledges that in such event:

- a. Any statute of limitations or other time-related defenses are tolled from and after the Effective Date of this Assurance;
- b. The State may use statements, documents, or other materials produced or provided by Workplace Compliance prior to or after the Effective Date of this Assurance.

50. A violation of any of the terms of this Assurance shall constitute a prima facie violation of the CCPA under C.R.S. § 6-1-110(2). If the State believes that Workplace Compliance has violated any terms of this Assurance, the State shall be entitled to file a civil action under the CCPA and to seek an injunction or other appropriate order from such court to enforce the provisions of this Assurance. In any such action, upon a finding by the Court of a material violation of this Assurance by Workplace Compliance, an order may be entered converting this Assurance into a permanent injunction against Workplace Compliance. The State may seek, and the

Court may enter, any additional remedies, including but not limited to additional monetary remedies, that are deemed proper. In any such action, Workplace Compliance agrees to waive any counterclaims that it may have had with respect to the subject matter of this Assurance and agrees to waive any challenge to the enforceability of this agreement. Workplace Compliance does not waive any defenses as to whether it violated the Assurance. The State shall notify Workplace Compliance at least 30 days in advance of any such filing and the Parties agree to meet and confer and engage in good faith negotiations to attempt to address the State's concerns.

51. The Parties consent to venue and jurisdiction for any proceeding necessary to enforce the terms of this Assurance within the District Court, Denver County, Colorado.

IX. RELEASE

52. The State acknowledges by its execution hereof that this Assurance constitutes a complete settlement and release of all claims under the CCPA on behalf of the State against Workplace Compliance with respect to all claims, causes of action, damages, fines, costs, and penalties which were asserted or could have been asserted under the CCPA for the conduct described in this Assurance, that arose prior to the date of execution of this Assurance and relating to or based upon the acts or practices which are the subject of this Assurance. The terms of this Assurance apply to any and all successors of Workplace Compliance. The State agrees that, except as provided in this Assurance, it shall not proceed with or institute any civil action or proceeding under the CCPA against Workplace Compliance for any conduct or practice prior to

the date of execution of this Assurance which relates to the subject matter of this Assurance.

X. MISCELLANEOUS PROVISIONS

53. The State has agreed to the terms of this Assurance based on, among other things, the representation made to the State by Workplace Compliance and the State's own factual investigation as set forth in the allegations above. Workplace Compliance represents and warrants that it has not made any material representations to the State that are inaccurate or misleading. If any material representations by Workplace Compliance are later found to be inaccurate or misleading, this Assurance is voidable by the State in its sole discretion.

54. All terms and conditions of this Assurance shall continue in full force and effect on any successor, assignee, or transferee of Workplace Compliance. Any such successor, assignment or transfer agreement shall include a provision that binds the successor, assignee or transferee to the terms of the Assurance. No party may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of the State.

55. This Assurance shall neither create nor waive any private rights or remedies for any third parties nor waive any rights, remedies, or defenses of the Parties with respect to any third parties. Under no circumstances shall this Assurance or the name of the Attorney General or any of the State's employees or representatives be used by Workplace Compliance or any person under their direction or control to suggest the State's endorsement of Workplace Compliance's past,

present, or future conduct.

56. Any failure by the State to insist upon the strict performance by Workplace Compliance of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions hereof, and the State, notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Assurance to be performed by Workplace Compliance.

57. This Assurance is the final, complete, and exclusive statement of the Parties' agreement on the matters contained herein, and it supersedes, terminates, and replaces any and all previous negotiations, agreements, and instruments as may exist between the Parties. Other than any representation expressly stated in this Assurance, the Parties have not made any representations or warranties to each other, and no Party's decision to enter into this Assurance is based upon any statements by any other Party outside of those in this Assurance. No change or modification of this Assurance shall be valid unless in writing and signed by all Parties. If any provision(s) of this Assurance is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

58. Nothing in this Assurance shall relieve Workplace Compliance of other obligations imposed by any applicable state or federal law or regulation or other applicable law.

59. The terms and provisions of this Assurance may be enforced by the current Colorado Attorney General, and by any of his duly authorized agents or

representatives, as well as by any of his successors in interest, and by any of his successors in interest's agents or representatives.

60. Pursuant to C.R.S. § 6-1-110(2), this Assurance shall be a matter of public record.

61. The Parties acknowledge that they had a full opportunity to review this Assurance and consult with legal counsel regarding it. The undersigned representatives of the Parties agree and represent that they have read and understood this Assurance, accept the legal consequences involved in signing it, and that there are no other representations, agreements, or understandings between the Parties that are not stated in writing herein.

62. This Assurance may be signed in one or more counterparts, each of which shall be deemed an original, but which together shall constitute the Assurance. Electronic copies of this Assurance and the signatures hereto may be used with the same force and effect as an original.

63. Nothing in this Assurance affects Workplace Compliance's right to take legal or factual positions in defense of litigation or other legal proceedings to which the State is not a party.

64. Nothing contained herein shall be construed to limit the remedies available to the State in the event that Workplace Compliance violates the Assurance after its Effective Date.

65. This Assurance shall be governed by the laws of Colorado without regard to any conflict of laws principles.

66. The Assurance and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

67. Workplace Compliance represent and warrant, through the signature below, that the terms and conditions of this Assurance are duly approved.

68. The Effective Date of this Assurance shall be May 28, 2024.

XI. NOTICE

69. All notices regarding this Assurance shall be sent by certified mail, return receipt requested or reputable overnight delivery service (e.g., FedEx, UPS) at the addresses set forth below or by email unless any Party notifies the other Parties in writing of another address to which notices should be provided.

If to Workplace Compliance, to:

Workplace Compliance Services
c/o David R. Brake
Knaggs Brake, P.C.
7521 Westshire Dr
Lansing, MI 48917

If to the State, to:

Conor A. Kruger
Assistant Attorney General
Consumer Fraud Unit
Consumer Protection Section
1300 Broadway, Denver, CO 80203
conor.kruger@coag.gov

STATE OF COLORADO
PHILIP J. WEISER
ATTORNEY GENERAL

Workplace Compliance

By:



Conor A. Kruger
Assistant Attorney General
Attorney Reg. No. 54111

Date: 5/28/24



Name: Steven Fata
Title: President
Address: _____
Phone number: _____
Email: _____
Date: 5-23-24