VIRGINIA:

IN THE CIRCUIT COURT OF THE CITY OF RICHMOND

COMMONWEALTH OF VIRGINIA, ***EX REL.* MARK R. HERRING,** **ATTORNEY GENERAL,** **Plaintiff,** **v.** **ANNUAL BUSINESS SERVICES LLC,** **a Florida limited liability company,** **Defendant.**	)	**CIVIL ACTION NO.** 15-3828-3

CONSENT JUDGMENT

The Plaintiff, Commonwealth of Virginia, by, through and at the relation of the Attorney General of Virginia, Mark R. Herring (the "Plaintiff" or the "Commonwealth"), and Defendant, Annual Business Services LLC (the "Defendant" or "ABS"), on behalf of itself, its employees, officers, directors, members, managers, agents, related entities, successors, and assigns, have resolved the matters in controversy between them and have agreed to the terms of this Consent Judgment, as follows:

I. STIPULATED RECITALS

1. The Plaintiff is the Commonwealth of Virginia, *ex rel.* Mark R. Herring, Attorney General. Under Virginia Code § 59.1-68.2, the Attorney General has statutory authority to civilly enforce violations of the criminal false advertising statute, Virginia Code § 18.2-216. The Attorney General has authority to bring an action to enjoin violations of Virginia Code § 13.1-1051 pursuant to Virginia Code § 13.1-1058.

2. The Defendant, Annual Business Services LLC, is a Florida limited liability company with its principal place of business in Tampa, Florida. ABS solicits customers by direct mail to provide record preparation services for companies, including companies in Virginia. In some of its advertisements and solicitations ABS is identified as ABS Business Compliance Division or Business Compliance Division, for internal tracking purposes.

3. The Commonwealth has alleged that the Defendant engaged in deceptive or misleading practices with regard to the advertisement of its record preparation services, including advertisements and solicitations for preparation of annual meeting minutes and/or requests to the State Corporation Commission for issuance of a Certificate of Fact(s).

4. Based upon materials received by the Office of the Attorney General, and its subsequent investigation, the Commonwealth concurrently filed a Complaint alleging that the Defendant operated in violation of Virginia Code § 18.2-216 by: (a) failing to clearly disclose that its advertisements were not official government mailings; (b) offering record preparation services to limited liability companies which imply that Virginia limited liability companies are subject to provisions of the Virginia Stock Corporation Act, Virginia Code §§ 13.1-601 through 13.1-800, requiring the holding of an annual meeting and preparation of minutes, when they are not; and (c) giving the impression that a potential compliance violation existed that would result in fees or penalties imposed by an undisclosed government agency, when this was not accurate. Additionally, the Complaint alleged that Defendant had not obtained a certificate of registration from the State Corporation Commission to transact business in the Commonwealth, as required by Virginia Code § 13.1-1051; and had not maintained a registered office or registered agent in the Commonwealth, as required by Virginia Code § 13.1-1015.

5. In the interest of resolving the Commonwealth's claims, the Commonwealth and the Defendant have agreed on a basis for the settlement of the Complaint and stipulated to entry of this Consent Judgment between the parties without trial or the adjudication of the validity of any alleged issue of law or fact.

6. The Defendant does not admit the allegations set forth in the Commonwealth's Complaint, and affirmatively states that its execution of this Consent Judgment is for settlement purposes only.

7. The Defendant and the Commonwealth waive their right to appeal from this Consent Judgment and enter into this Consent Judgment voluntarily and state that no promises of any kind were made to enter into this Consent Judgment, except as provided herein.

8. The Defendant acknowledges and agrees that the Commonwealth's Complaint in this matter states claims upon which relief could be granted under the criminal false advertising statute, Virginia Code § 18.2-216, through § 59.1-68.2, and Virginia Code § 13.1-1051, through § 13.1-1058.

9. The Defendant consents to and submits itself to the jurisdiction of this Court and waives any objections it may have had to the jurisdiction of this Court over it for all matters relating to the entry, execution, monitoring, and enforcement of this Consent Judgment. The Defendant further waives any objections it may have had to venue in this Court for matters relating to the entry, execution, monitoring, and enforcement of this Consent Judgment.

10. This Consent Judgment constitutes the entire agreement between the Defendant and the Commonwealth.

II. ORDER

NOW, THEREFORE, based upon the advice and stipulation of the parties, and good cause appearing,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

1. Upon agreement of the parties, the Court hereby enters this Consent Judgment.

2. The Court shall retain jurisdiction to enforce the terms and conditions of this Consent Judgment.

3. ABS, in its own name or doing business under any other trade name and its agents, employees, officers, directors, members, managers, and any other persons in active concert or participation with any of them, with either actual or constructive knowledge of this Consent Judgment, are hereby permanently enjoined from:

a. any future violations of Virginia Code § 18.2-216, including, but not limited to:

i. failing to clearly and affirmatively disclose that its advertisements and solicitations are not official government mailings;

ii. offering record preparation services to limited liability companies which imply that Virginia limited liability companies are subject to provisions of the Virginia Stock Corporation Act, Virginia Code §§ 13.1-601 through 13.1-800, requiring the holding of an annual meeting and preparation of minutes, when this is not accurate; and

iii. representing expressly, or otherwise giving the impression, to Virginia entities that potential violations exist that would or might result in fees

or penalties imposed by an undisclosed government agency, when this is not accurate; and

b. transacting business within the Commonwealth of Virginia without a certificate of registration from the State Corporation Commission, in violation of Virginia Code § 13.1-1051.

4. Prior to the execution of this Consent Judgment, ABS provided the Commonwealth with a Disclosure Statement in the form of two spreadsheets identifying all Virginia customers from which ABS has collected fees for preparation of annual meeting minutes, and/or requests to the State Corporation Commission for issuance of a Certificate of Fact(s) pursuant to the requirements of Virginia Code § 12.1-20. ABS shall supplement this Disclosure Statement in a timely manner if any additional Virginia customers that have been sent mailings prior to entry of this Consent Judgment subsequently pay fees to ABS.

5. Within sixty (60) days of the entry of this Consent Judgment:

a. the Commonwealth shall send a letter to each of ABS's Virginia customers identified in the Disclosure Statement, advising them of this Consent Judgment and their ability to request by phone or email a refund of any fees they paid to ABS, which letter shall be in the form attached as Exhibit A; and

b. ABS shall keep active and maintain the phone number and email address stated in the letter for at least one year from the date of entry of this Consent Judgment; and

c. ABS shall fully refund any Virginia customer that requests such a refund, including any customer not identified in the Disclosure Statement or any supplement provided pursuant to paragraph 4 that is able to document that it,

as a Virginia entity, paid ABS for the preparation of annual minutes or a Certificate of Fact after receiving an advertisement or solicitation from ABS. After receiving a customer refund request, ABS shall, within two weeks of its receipt of the request, contact its financial institution in writing to request issuance of a certified check out of its funds to the customer at the customer address provided.

6. The Commonwealth may at any time, up to one year from the date of entry of this Consent Judgment, request that ABS provide information regarding the refunds it has issued to Virginia customers. This information to be provided shall include the name of the Virginia customer, the date and amount of the refund request, and the issuance date and amount of the refund.

7. Nothing in this Consent Judgment shall relieve the Defendant of its obligation to comply with all applicable state and federal laws.

8. The Commonwealth accepts this Consent Judgment in full satisfaction of the claims it asserted, or could have asserted, in its Complaint against the Defendant, arising out of the subject matter hereof.

9. This Consent Judgment may be modified only by order of this Court. After making a good faith effort to obtain the concurrence of the other party for the requested relief, the Defendant or the Commonwealth may petition this Court for modification of the terms and conditions of this Consent Judgment.

10. A violation of any provision of this Consent Judgment shall be punishable as contempt and may subject the person or entity in violation to all penalties or sanctions allowed by law.

11. The waiver or failure of any party to exercise any rights under this Consent Judgment shall not be deemed a waiver of any right or any future rights. If any part of this Consent Judgment shall for any reason be found or held invalid or unenforceable by any court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of this Consent Judgment, which shall survive and be construed as if such invalid or unenforceable part had not been contained herein.

ENTER: 9/10/15

Judge, Circuit Court of the City of Richmond

WE ASK FOR THIS:

COMMONWEALTH OF VIRGINIA,
EX REL. MARK R. HERRING
ATTORNEY GENERAL

By: _____

David B. Irvin (VSB # 23927)
Senior Assistant Attorney General
Stephen J. Sovinsky (VSB # 85637)
Assistant Attorney General
Angela M. King (VSB # 76922)
Assistant Attorney General
Consumer Protection Section
900 East Main Street
Richmond, Virginia 23219
Phone: (804) 786-7364
Fax: (804) 786-0122

A Copy
Teste: EDWARD F. JEWETT, CLERK
BY: _____ D.C.

Counsel for Commonwealth of Virginia, ex rel. Mark R. Herring, Attorney General

ANNUAL BUSINESS SERVICES LLC

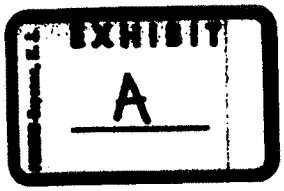
By: _____

Charles E. James, Jr. (VSB #46310)
Williams Mullen
200 South 10th Street, Suite 1600
Richmond, Virginia 23218-1320
Phone: (804) 420-6529
Fax: (804) 420-6507

Counsel for Annual Business Services LLC

By: _____ 9/2/15
Tate Howe

Its: Chief Financial Officer
Title



[DATE]

[LLC Name]
[LLC Address]
[LLC Phone Number]

Dear [LLC]:

You may be entitled to a refund as part of a recent settlement obtained by the Virginia Office of the Attorney General.

The Virginia Office of the Attorney General (the "Attorney General") and Annual Business Services LLC ("ABS") entered into a Consent Judgment which was filed on _____ _____ in the Circuit Court for the City of Richmond, Virginia under case number _____ _____.

The Attorney General investigated ABS because of alleged misleading advertisements and solicitations sent to Virginia businesses. The Attorney General alleged these mailings included offers to prepare annual meeting minutes, as well as notifications of potential compliance violations. The Attorney General alleged the mailings failed to clearly disclose that they were not official government mailings; implied that Virginia limited liability companies are subject to provisions of the Virginia Stock Corporation Act, Virginia Code §§ 13.1-601 through 13.1-800, requiring the holding of an annual meeting and preparation of minutes; and gave the impression that potential violations existed that would result in fees and penalties imposed by an undisclosed government agency.

Under the terms of the Consent Judgment, ABS has agreed to fully refund all Virginia entities that paid fees in response to the annual minutes form or ABS Business Compliance Division / Business Compliance Division notice of potential compliance violation postcard. If you wish to take advantage of the refund, please contact ABS by phone at 1-855-246-8622 or email refunds@annualbusinessservices.us. If you experience any issues with the refund process, you may contact me at (804) 786-0514 or aking@oag.state.va.us.

Very truly yours,

Angela M. King
Assistant Attorney General
Consumer Protection Section