

STATE OF OHIO
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION SECTION

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ATTORNEY GENERAL OF OHIO
JUL 09 2024
CONSUMER PROTECTION SECTION
PUBLIC INSPECTION FILE

IN THE MATTER OF)

Safe Home Security, Inc.)
1125 Middle Street #201)
Middletown, CT 06457)

DOCKET NO. 594115

ASSURANCE OF VOLUNTARY COMPLIANCE

This Assurance of Voluntary Compliance (hereafter “Assurance”) is entered into this 8th day of July 2024 by Safe Home Security, Inc. and Ohio Attorney General Dave Yost (collectively the “Parties”). For purposes of this Assurance, “Supplier” shall mean Safe Home Security, Inc. and its officers, partners, managers, successors, or assigns and all persons acting in concert or participation with it, directly or indirectly, through any corporate device, partnership, association, or affiliation.

WHEREAS, the Attorney General has investigated Supplier’s business practices pursuant to the authority granted to the Attorney General by R.C. 1345.06 of the Consumer Sales Practices Act (“CSPA”), R.C. 1345.01 et seq.;

WHEREAS, the Attorney General alleges that the Supplier committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.01 et seq., its Substantive Rules, O.A.C. 109-4-3-01 et seq., the Home Solicitation Sales Act (“HSSA”), R.C. 1345.21 et seq.;

WHEREAS, R.C. 1345.06(F) of the CSPA grants the Attorney General the authority to enter into and accept an Assurance;

WHEREAS, this Assurance is a promise in writing by Supplier of its intent to conduct its business in a manner designed to comply with all provisions of the CSPA, R.C. 1345.01 et seq., its Substantive Rules, O.A.C. 109-4-3-01 et seq. and HSSA, R.C. 1345.21 et seq.; and

WHEREAS, Supplier, desiring to comply with all aspects of the CSPA and HSSA, hereby voluntarily enters into this Assurance with the Attorney General.

NOW THEREFORE, in consideration of the mutual promises and conditions set forth herein, the Parties hereto **AGREE** as follows:

- (A) The "Effective Date" shall mean the date that is indicated on the first page of this Assurance.
- (B) By accepting this written Assurance, the Attorney General's Consumer Protection Section agrees to terminate its current investigation of Supplier's business practices and actions that occurred on or before the Effective Date of this Assurance. The Attorney General releases Supplier from all civil claims and penalties of any kind that the Attorney General could have asserted against Supplier under the CSPA and HSSA, prior to the Effective Date, based on the facts set forth in the Background and Statement of Facts of this Assurance, relating to Supplier's solicitation, sale, and servicing of home alarm equipment and services to consumers.
- (C) By giving this written Assurance, Supplier agrees to comply with all the terms of this Assurance and to conduct its business in compliance with all applicable Ohio laws including, without limitation, the CSPA, and its Substantive Rules, and the HSSA.

BACKGROUND AND STATEMENT OF FACTS

- (1) Safe Home Security, Inc. ("Safe Home Security") is a Connecticut corporation with a principal place of business located at 1125 Middle Street, #201, Middletown, Connecticut, 06457.
- (2) Safe Home Security offers home security equipment and services to consumers throughout Ohio.

- (3) Supplier engages in door-to-door sales, selling home security services and equipment to consumers at their personal residences, and entering into contracts with those consumers at their homes.
- (4) Supplier is a “supplier” as the term is defined in R.C. 1345.01(C) of the CSPA because, at all times relevant herein, it has engaged in the business of effecting “consumer transactions,” as defined in R.C. 1345.01(A), by offering home security services to individuals for purposes that were primarily personal, family, or household.
- (5) Supplier is a “seller” engaged in “home solicitation sales,” as those terms are defined in R.C. 1345.21(A) and (C) of the HSSA, because, at all times relevant herein, Supplier engaged in personal solicitations at the residences of consumers.
- (6) Supplier solicits and sells its home security systems to consumers, some of whom may have existing contracts with different alarm companies.
- (7) Consumers allege that some of Supplier’s salespersons have made misrepresentations to consumers during the solicitation process that lead consumers to enter into contracts with Supplier.
- (8) Some consumers have alleged that Supplier misrepresented to them that Supplier was affiliated with the consumer’s current alarm company and signed the consumers up with Supplier without Supplier cancelling their current home security system.
- (9) Supplier executes contracts with consumers only electronically and provides consumers electronic copies of their contracts, via email, unless the consumer otherwise requests a paper copy. In some instances, when a consumer informed Supplier’s salesperson that they did not have an email address, Supplier’s salespersons assisted the consumer in creating an

email address for themselves and thereafter sent the electronic copy of the contract to the newly created email address only.

- (10) In some instances, when consumers have requested service on Supplier's equipment or systems, Supplier has experienced delays in being able to provide service, resulting in periods during which consumers are paying Supplier for equipment and services when they do not have functioning equipment.
- (11) In some instances, consumers complain that Supplier has failed to honor consumers' cancelation requests, even though consumers made valid requests in accordance with the contract.
- (12) In some instances, consumers complain that Supplier has continued to debit consumers' accounts for the monthly monitoring fee, even after the consumers assert that they properly canceled the security and monitoring services.

COMPLIANCE PROVISIONS

- (13) Supplier shall not violate the CSPA, R.C. 1345.01 et seq., or its Substantive Rules, O.A.C. 109-4-3-01 et seq., or the HSSA, R.C. 1345.21 et seq.
- (14) Supplier shall not misrepresent Supplier's affiliation with consumers' current security company, in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.02(B)(9).
- (15) Supplier shall not misrepresent to consumers the terms of its contracts, in violation of the CSPA, R.C. 1345.02.
- (16) Supplier shall not make false claims in advertising, causing consumers to believe such claims are true, in violation of R.C. 1345.02(A) and the Substantiation of Claims in Advertising Rule, Ohio Admin. Code 109:4-3-10(A).
- (17) Supplier shall not misrepresent consumers' rights to cancel their contracts within three

days, in violation of the CPSA, R.C. 1345.02(A), the Direct Solicitations Rule, Ohio Admin. Code 109:4-3-11(5), and the HSSA, R.C. 1345.22 and R.C. 1345.23. Supplier shall clearly and conspicuously provide notice to consumers about their right to cancel, in compliance with HSSA, including the fact that consumers can cancel via electronic mail.

- (18) Supplier shall not provide security systems that do not work as designed and then fail to correct or repair such systems, in violation of the CPSA, R.C. 1345.02(A). Further, Supplier shall not promise system functionalities that do not exist with the specific system provided to the customer.
- (19) Supplier shall provide customer service that complies with the CPSA, R.C. 1345.02(A).
- (20) Supplier shall provide customers with customer service sufficient to address customers' concerns and to provide required service within thirty (30) days of the customers' report of a service need.
- (21) Supplier shall honor all valid cancelation requests made in accordance with contract terms and shall not continue to bill consumers for security services after consumers have properly canceled their contracts in accordance with the terms of their contracts, in violation of the CPSA, R.C. 1345.02(A).
- (22) In furtherance of Supplier's future compliance with the CPSA, R.C. 1345.01 et seq., and with the HSSA, R.C. 1345.21 et seq., Supplier shall implement and maintain the following policies and practices:
 - a. Supplier's contracts with Ohio consumers shall all comply with the requirements of the HSSA, R.C. 1345.21 et seq.
 - b. Supplier shall disclose to Ohio consumers, prior to the installation of any services under any contract with that consumer, that if the consumer currently has a contract with

another home security monitoring company, or, an ongoing obligation to that other company, that it is the consumer's responsibility to cancel that other contract. Supplier shall not misrepresent that consumers will not have any cancellation penalties under the terms of an existing contract with another home security monitoring company.

- c. If Supplier enters into a home security contract with an Ohio consumer who informs Supplier that they do not have an email address or cannot provide an email address that they would like to use, Supplier shall provide the consumer with a paper copy of the contract on the same day the contract is signed. Supplier's employees are prohibited from creating email addresses for such consumers and delivering only electronic copies to these new email addresses. For these consumers, Supplier must provide all future notices to the consumer via regular mail, unless such consumers subsequently provide Supplier with an email address to which they have access, and which they have chosen for purposes of communicating with Supplier.
- d. If an Ohio consumer complains to Supplier about service issues resulting in a lack of full functionality of the consumer's system, and which were caused by an issue outside of the consumer's control, and Supplier is unable to restore functionality of the consumer's system within 30 days, unless the continued lack of functionality is caused by an act of god, terrorism, the customer's abuse of the system, a delay caused by the customer's inability or refusal to schedule service that is offered by Supplier, or other similar causes that are entirely outside of Supplier's control, Supplier must permit the customer to cancel their contract without any fees or other penalties, if the consumer so requests such cancelation. If the consumer chooses to remain a customer, Supplier shall provide a pro-rata credit of the consumer's monthly payment for the time the

consumer did not have service, subject to the same limits listed previously in this paragraph. Despite such obligations, Supplier may attempt to maintain the consumer as a customer of Supplier through providing any agreed upon incentives.

- e. If an Ohio consumer complains to Supplier about a misrepresentation by an employee that caused the consumer to enter into the contract, Supplier must investigate the claim. If Supplier finds that misrepresentations were made, Supplier must permit the consumer to cancel without any fees or other penalties, if the consumer requests such cancelation.

- (23) Within three months of the Effective Date of this Assurance, Supplier shall provide training for all sales personnel who work in the State of Ohio or who otherwise interact with Ohio consumers regarding the Compliance Provisions of this Assurance.

COMPLIANCE AND NOTICE

- (24) Supplier agrees to negotiate in good faith and resolve any future consumer complaints filed with the Attorney General's Office after the Effective Date of this Assurance concerning Supplier's conduct before or after the Effective Date of this Assurance.
- (25) As consideration for the relief agreed to herein, if the Attorney General determines that Supplier is in violation of this Assurance, and if, in the Attorney General's discretion, the Supplier's violation does not threaten the health or safety of the citizens of the State of Ohio and/or does not create an emergency requiring immediate action, the Attorney General will notify Supplier in writing of such violation prior to filing an enforcement action. Within fifteen (15) business days from receipt of such written notice from the Attorney General, Supplier shall provide a good faith written response to the Attorney General explaining in detail either why Supplier is in compliance with the Assurance or

how the violation occurred and how Supplier has resolved it or plans to resolve it.

GENERAL PROVISIONS

- (26) By accepting this written Assurance, the Attorney General agrees to terminate the current investigation into Supplier's business practices occurring prior to the date of this Assurance, related to Supplier's solicitation, sale, and servicing of home security equipment and services.
- (27) Supplier understands and agrees that this Assurance applies to Supplier regardless of what business name it uses, including to any new names it may use in the future, as well as to any related owners, principals, officers, directors, agents, representatives, salespersons, employees, instructors, independent contractors, successors, and assigns acting on behalf of the Supplier.
- (28) This Assurance shall be governed by the laws of the State of Ohio.
- (29) This Assurance is entered into by Supplier of its own free and voluntary act, and with full knowledge and understanding of the nature of the proceedings and the obligations and duties imposed by this Assurance.
- (30) This Assurance does not constitute an approval by the Attorney General of any of the Supplier's business practices, and Supplier shall not represent directly or indirectly, or in any way whatsoever, that the Attorney General has sanctioned, condoned, or approved any part or aspect of its business practices.
- (31) This Assurance sets forth the entire agreement between the Attorney General and Supplier and supersedes any and all prior agreements or understandings, whether written or oral, between the Parties and/or their respective counsel regarding the subject matter hereof. This Assurance may be amended by written agreement of the Parties, subject to any further

requirements under state law.

- (32) The Parties acknowledge that no other promises, representations, or agreements of any nature have been made or entered into by the Parties. The Parties further acknowledge that this Assurance constitutes a single and entire agreement that is not severable or divisible, except that if any provision is found to be legally insufficient or unenforceable, the remaining provisions shall continue in full force and effect.
- (33) This Assurance constitutes a public record and shall be filed in the Attorney General's Public Inspection File pursuant to R.C. 1345.05(A)(3).

PAYMENT TO THE STATE

- (34) As part of the consideration for termination of this investigation, Supplier shall make a payment to the State in the amount of Forty-Five Thousand Dollars (\$45,000.00). The payment shall be placed in the Attorney General's Consumer Protection Enforcement Fund, to be used by the Attorney General as provided by R.C. 1345.51. Payment of Twenty Thousand Dollars (\$20,000.00) shall be made within seven (7) days of the Effective Date of this Assurance. Payment of the remaining Twenty-Five Thousand Dollars (\$25,000.00) shall be made within one hundred and twenty (120) days following the Effective Date of this Assurance, in accordance with the following payment schedule.
- a. A first payment of Six-Thousand Two Hundred and Fifty Dollars (\$6,250.00) shall be due no later than thirty (30) days after the Effective Date of this Assurance.
 - b. A second payment of \$6,250.00 shall be due no later than sixty (60) days after the Effective Date of this Assurance.
 - c. A third payment of \$6,250.00 shall be due no later than ninety (90) days after the Effective Date of this Assurance.

- d. A fourth and final payment of \$6,250.00 shall be due no later than (120) days after the Effective Date of this Assurance.

All payments owed pursuant to this Paragraph shall be made by delivering certified checks or money orders, containing the code "CPS" in the memo line and made payable to the "Ohio Attorney General's Office," to:

Financial Specialist
Consumer Protection Section
Ohio Attorney General's Office
30 E. Broad Street, 14th Floor
Columbus, Ohio 43215

PENALTIES FOR FAILURE TO COMPLY

- (35) The Parties agree that, if Supplier fails to make any payment to the Attorney General as required in accordance with Paragraph 34, the full \$45,000.00 due pursuant to Paragraph 34 shall become immediately due, payable, and collectable, without need for the Attorney General to petition a Court.
- (36) The Attorney General's acceptance of any payment by the Supplier after the time it is due, or the failure of the Attorney General to insist on strict performance of any other provision of this Assurance including, but not limited to, the Paragraph 35 acceleration of the Supplier's payment owed to the Attorney General pursuant to Paragraph 34 of this Assurance, shall not be construed as a waiver of any of the obligations created by this Assurance.
- (37) The Attorney General may assert any claim that Supplier has violated this Assurance in a separate civil action to enforce the terms of this Assurance against Supplier, and the Court shall apply applicable standards of law to determine damages for any subsequent violations, which may include any and all remedies available to the Attorney General pursuant to R.C.

1345.07.

(38) Pursuant to R.C. 1345.06(F), this Assurance is not, and shall not be construed as, evidence of any violation of the CSPA or its Substantive Rules by Supplier.

(39) Nothing in this Assurance shall in any way preclude any investigative or enforcement action(s) against Supplier under any legal authority granted to the Attorney General:

- a. With respect to the transactions that are the subject of this enforcement action if the terms of the Assurance are not fully obeyed; or,
- b. With respect to transactions or occurrences that are not the subject of this Assurance.

(40) This Assurance shall in no way exempt Supplier from any other obligation imposed by law, and nothing contained herein shall relieve Supplier of any legal responsibility for any acts or practices it has engaged in other than those specifically addressed by this Assurance.

WHEREFORE, the parties hereto affix their signatures in recognition and acceptance of the terms contained herein and warrant and represent that by affixing their signatures below they have the legal right to do so.

SIGNATURES

Accepted:

**DAVE YOST
ATTORNEY GENERAL**



By: _____


Date: 7/8/2024

Tracy Morrison Dickens
Senior Assistant Attorney General
Consumer Protection Section
30 E. Broad Street, 14th Floor
Columbus, Ohio 43215
(614) 466-3999
Tracy.Dickens@OhioAGO.gov
Counsel for the Ohio Attorney General

Accepted:

Safe Home Security, Inc.

By: _____


David Roman, ~~Owner~~
President

Date: _____

7/3/24