

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

MIKE HATCH, ATTORNEY GENERAL
FOR THE STATE OF MINNESOTA

Civil Action
File Number _____

Plaintiff,

vs.

COMPLAINT

US BANK NATIONAL ASSOCIATION ND
f/k/a/ FIRST BANK OF SOUTH DAKOTA
(NATIONAL ASSOCIATION), US BANCORP
INSURANCE SERVICES, INC. and
US BANCORP f/k/a FIRST BANK SYSTEMS, INC.

JURY TRIAL REQUESTED

Defendants.

PRELIMINARY STATEMENT

1. The State of Minnesota, by its Attorney General, Mike Hatch, brings this action for injunctive relief and damages based upon Defendants' violation of the Fair Credit Reporting Act, 15 U.S.C. §§ 1681 *et seq.* (FCRA) (1998). Plaintiff also seeks relief for its pendent state law claims, actual damages, punitive damages, costs, and attorney fees. Minn. Stat. §§ 325F.69; 325F.67; and 325D.44 (1998). A copy of this complaint was served upon the Office of the Comptroller of the Currency, the administrator for National Banks and the Federal Trade Commission prior to the filing of this action as required by 15 U.S.C. § 1681s (c)(2).
2. Defendants US Bank National Association ND and its parent holding company, US Bancorp, have sold their customers' private, confidential information to MemberWorks, Inc., a telemarketing company, for \$4 million dollars plus commissions of 22 percent of net revenue on sales made by MemberWorks.
3. Using the personal, confidential information provided by Defendants, MemberWorks markets membership service programs to Minnesota consumers. These programs have membership fees payable monthly or annually depending on the program, ranging from

approximately \$50 per year to approximately \$120 per year. MemberWorks refuses to provide written information about its programs until after the consumer actually enrolls in the program. Consumers generally receive a trial 30 day membership. If the membership is not canceled during the trial period, the consumer is automatically charged the annual membership fee. The fee is charged to the consumer's US Bank checking or credit card account.

4. Defendants have told their customers that all information provided to or obtained by Defendant banks will be kept confidential and will only be released in certain circumstances. Among other things, Defendants have told their customers that:

“US Bancorp and its family of financial service providers understands that confidentiality is important to you and essential in our business. It is our policy that all personal information you supply to us will be considered confidential. This policy holds true no matter how we receive your personal information; over the phone, at our branches, through our ATMs or on-line at this Web site.”
www.usbank.com/privacy (May 25, 1999).

Defendants have not advised its depositors and/or credit card customers the extent and types of information they are providing to telemarketers like MemberWorks.

5. Defendants have retained contractual rights to review and approve all programs and scripts used by MemberWorks. Defendants have approved the use of false, deceptive and misleading marketing scripts that are used by MemberWorks. For example, Defendants routinely transmit checking account and credit card account numbers to MemberWorks. If, however, consumers ask MemberWorks' personnel whether they already have the customer's checking account or credit card account numbers, MemberWorks' scripts instruct their telephone personnel falsely tell consumers that MemberWorks does not have the numbers when, in fact, it does.

JURISDICTION, VENUE & PARTIES

6. The Minnesota Attorney General as Chief Law Enforcement Officer of the State of Minnesota is authorized to bring this action pursuant to 15 U.S.C. § 1681s (c). The State of Minnesota has authority to bring an action to enjoin violations of the FCRA in the appropriate

United States District Court and to recover on behalf of the residents of Minnesota damages under 15 U.S.C. §§ 1681n and 1681o of the FCRA. Defendants are also liable pursuant to laws of the State of Minnesota, which claims may be brought under the pendant jurisdiction of this Court. Minnesota law governs contracts of national banks unless it expressly conflicts with federal banking laws. Minn. Stat. §§ 325F.69; 325F.67; and 325D.44 (1998). The pendant claims in this action are premised on violation of Minnesota laws that do not expressly conflict with federal banking laws.

7. Defendant US Bank National Association ND (US Bank) was formerly known as First Bank of South Dakota (National Association) (First Bank). US Bank is a national bank doing business in Minnesota and other states and is organized under the National Bank Act, 12 U.S.C. §§ 21-216d (1994 & West. Supp. 1998).

8. US Bancorp Insurance Services, Inc. is a subsidiary of US Bancorp.

9. Defendant US Bancorp, formerly known as First Bank Systems, Inc., is a multistate bank holding company and the parent of US Bank. US Bank and US Bancorp are also collectively referred to as "Defendants" in this Complaint.

10. MemberWorks Incorporated (MemberWorks), not a Defendant in this case, is a publicly traded telemarketing company based in Stamford, Connecticut. MemberWorks is not affiliated with any of the Defendants.

11. This Court has jurisdiction over this matter based upon 28 U.S.C. § 1331, in that this dispute involves predominant issues of federal law. Defendants are liable pursuant to provisions of the FCRA, 15 U.S.C. § 1681, *et seq.* Defendants are also liable pursuant to the laws of Minnesota which claims may be brought under the pendant jurisdiction of this Court.

TRIAL BY JURY

12. The State of Minnesota is entitled to and hereby requests a trial by jury. US Const. amend. 7. Fed. R. Civ. Pro. 38.

REQUEST FOR EXEMPLARY/PUNITIVE DAMAGES

13. The State of Minnesota respectfully requests that this Court instruct the jury, as the trier of facts, that in addition to actual or compensatory damages, punitive or exemplary damages may be awarded against Defendants under federal and state laws.

GENERAL FACTUAL BASIS FOR COMPLAINT

Contracts with MemberWorks

14. On or about November 1, 1996 First Bank entered into an agreement with MemberWorks, a telemarketing company based in Stamford, Connecticut, to provide MemberWorks with confidential information about the bank's consumer depositors and credit cardholders for telemarketing purposes. Appendix 1. The agreement was amended on April 12, 1999 to reflect the name change of First Bank to US Bank. Appendix 2. A second marketing agreement between US Bancorp Insurance Services, Inc., a subsidiary of US Bancorp, and Coverdell & Company, a subsidiary of MemberWorks, was made on June 30, 1998. Appendix 3.

15. These agreements permit and require Defendants to transmit confidential, personal information about their customers which the Defendants have assembled on their own and from other sources to MemberWorks. According to US Bank, this information includes but is not limited to:

- a. name, address and telephone numbers of primary and secondary customers
- b. checking account numbers
- c. credit card numbers
- d. social security numbers
- e. date of birth
- f. account status and frequency of use
- g. gender
- h. marital status
- i. homeowner
- j. occupation
- k. date account was opened
- l. average account balance
- m. year-to-date finance charges for credit card accounts
- n. behavior score
- o. bankruptcy score

- p. credit insurance status
- q. last credit card purchase information

US Bank answer to CID Interrogatory No. 3, Appendix 5. Data description, Appendix 4.

16. In its answers to CID Interrogatories, MemberWorks states that it receives the following confidential, personal information from US Bank about its customers:

- a. cardholder names
- b. cardholder address
- c. cardholder phone number
- d. cardholder account number (scrambled)
- e. last date of purchase information
- f. account open date
- g. account balance
- h. credit limit
- i. credit insurance status
- j. social security number
- k. year-to-date finance charge
- l. ATD transaction count
- m. card type (classic or gold)
- n. brand (US Bank, Express line Rocky MT)
- o. number of plastics (number of cards)
- p. date of birth
- q. cash advance amount
- r. behavior score
- s. bankruptcy score
- t. date of last payment
- u. amount of last payment
- v. date of last statement
- w. statement balance

MemberWorks Answer to CID Interrogatory No. 5, Appendix 7. On information and belief additional information pertaining to Defendants checking account customers was also transmitted to MemberWorks.

17. US Bank and US Bancorp were guaranteed a minimum payment of \$4,025,000 by MemberWorks for the provision of confidential bank customer information. Appendix 1, Appendix 3, Schedule A.

18. In return for providing personal, confidential customer information, MemberWorks also pays Defendants commissions equal to 22% of net membership revenue from sales to Defendants' customers. Appendix 2, Attachment I to Amendment No. 1.

19. The information provided by Defendants to MemberWorks includes information, such as the bankruptcy score, behavior score and various account data, including last purchase date on credit card transactions, that is at least in part based on information Defendants received from sources other than Defendants' first-hand experience with their customers. US Bank's Responses to Interrogatories and Document Requests Interrogatory No. 3, Appendix 5.

20. Since January 1, 1996 US Bancorp and its companies have provided MemberWorks with information relating to 600,000 checking account customers from Midwestern and Western states. Defendants are unable to identify how many of these 600,000 customers are from Minnesota. US Bank's Response to Interrogatory No. 7, Appendix 5.

21. Since January 1, 1996 US Bancorp and its companies have provided MemberWorks with information on approximately 330,000 of its US Bank Minnesota credit card customers. US Bank's Response to Interrogatories and Document Requests Interrogatory No. 7, Appendix 5.

22. Using the private, confidential information provided by Defendants, MemberWorks and/or its agents conduct telephone and direct mail solicitations of customers of US Bancorp and its companies. MemberWorks hires telemarketing vendors to conduct the telemarketing solicitations. These vendors, in turn, are also provided with personal, confidential information that Defendants provide to MemberWorks. Appendix 1, Attachment II, 1.a.

23. Under the terms of the contracts, Defendants review and approve the telephone solicitation scripts in advance of telemarketing solicitations. Appendix 1, Attachment II, 1.a. (2).

24. The telemarketing scripts used by MemberWorks and approved for use by Defendants direct telemarketing representatives to enroll customers in MemberWorks' programs before any literature about programs can be sent to the consumers. MemberWorks explicitly prohibits its telemarketing representatives from sending information to customers without their initial enrollment.

1. 'Send me literature'

Mr(s)_____, I'm unable to send any information without an enrollment. That's why we've arranged to send the information out and provide you with the 30-day trial membership. If you feel the service is not for you, simply call us before the end of your 30-day trial and you won't be billed, OK!!!

See also MemberWorks Essential Scripts, Jan. 27, 1998, p.10, Appendix 11; MemberWorks CountryWide Dental scripts June 3, 1997, p. 9, Appendix 10.

25. Minnesota customers who are telemarketed by MemberWorks and its agents are unaware at the time of the solicitation that their credit card numbers and/or checking account numbers are already in the telemarketers' possession. Affidavit of Catherine Welsh, Appendix 6.

26. The telemarketing scripts used by MemberWorks and approved for use by Defendants direct telemarketing representatives who are asked by bank customers during the telephone call if MemberWorks already has the consumer's credit card account or checking account number to respond as follows:

5. 'Do you have my CLIENT NAME account number?'

No, I personally do not have your account number. However, if you decide to continue your membership after the 30-day trial, then our system will automatically bill the \$79.95 annual membership fee to your **CLIENT NAME** Visa/MasterCard account provided to *Countrywide Dental* by **CLIENT NAME**. (Return to point of interruption) (or) OK!!

Appendix 10, page 13.

27. Under the terms of the contracts between Defendants and MemberWorks, any membership fee will either be billed to the customer's US Bancorp credit card account or be paid through electronic transfer or draft of personal funds from a consumer's US Bank account to MemberWorks. US Bank's Response to Interrogatory No. 15, Appendix 5.

Electronic Fund Transfers

28. Under the terms of the contracts and as practiced, MemberWorks is required to obtain only verbal authorization from consumers before it sets up an automatic debit for the monthly

installment of the MemberWorks' fee from the consumer's checking account at US Bank. No written authorization is ever obtained from the consumer. Appendix 1, Attachment II 2.a.

29. The Electronic Fund Transfer Act, 15 U.S.C. § 1693 *et seq* and its implementing regulation, Regulation E, 12 C.F.R. § 205, set forth the requirements for the pre-authorized electronic transfer of funds from a customer's checking account.

30. The transfers set up by MemberWorks are pre-authorized transfers as that term is defined by applicable federal law. 12 C.F.R. § 205.10 (a).

31. MemberWorks routinely and repeatedly debits Minnesota consumers' checking accounts electronically. Affidavit of Catherine Welsh and attached Exhibit, Appendix 6.

32. The Electronic Fund Transfer Act and Reg. E prohibit the electronic transfer of funds from a checking account without the prior written authorization of the consumer. 12 C.F.R. § 205 (b).

33. On information and belief, US Bank has agreed to abide by the rules of the National Automated Clearing House Association (NACHA) regarding the handling and processing nationwide electronic payments systems.

34. NACHA Rules require that debit entries to consumers' accounts must have been authorized in writing, signed or similarly authenticated by the consumers. As used by NACHA, the term "similarly authenticated" includes the use of a digital signature or other code. To meet the requirement that an authorization be in writing, an electronic authorization must be able to be displayed on a computer screen or other visual display that enables the consumers to read the communication. NACHA Rules, Article Two Subsection 2.1.2.

35. Defendants do not require MemberWorks to comply with the written authorization requirements for electronic funds transfer. In fact, Defendants have specifically contracted and/or established the practice of requiring only verbal authorization in order to approve the electronic funds transfer. This violates both federal law and NACHA Rules that protect consumers from unauthorized electronic fund transfers.

Consumer Representations

36. US Bank and US Bancorp informed consumers through advertising that the information the consumers provide Defendants will be considered confidential. Appendix 12.

37. Defendants have informed customers that they will only disclose information in certain circumstances:

Disclosure of Account Information

Information concerning your account and your account transactions, including electronic banking transactions, may be released to third parties only under the following circumstances:

- in connection with an examination by government regulators or external auditors;
- to comply with a request for information from a party to whom you have given our name as a reference or a party to whom you have written a check or otherwise agreed to make payment from your account;
- to report to (a) a credit bureau about the existence or condition of your account or (b) an information clearinghouse if we close your account due to excessive overdrafts or other irregular activity by you;
- to any person to whom you have given information about your account (such as your account number and personal identification number) that is enough to permit them to pose as you;
- to comply with a subpoena or any other legitimate request under state or federal law;
- when we need to in order to complete transactions, including electronic banking transactions;
- when we conclude that disclosure is necessary to protect you, your account or our interests; or
- if you give your written permission.

38. US Bank and US Bancorp do not disclose to their customers that they routinely provide and transmit confidential information, such as the customer's average account balance, marital status, gender, social security numbers and bankruptcy score, to third parties.

39. Defendants have created an expectation that its Minnesota consumers have a right to financial privacy.

40. Defendants do not disclose to their checking account customers that confidential information is being sold.

41. Defendants' only disclosure pertaining to the sale of information obtained from credit card customers is made in a paragraph in the credit card agreement titled "Affiliate Sharing". US Bank Answers to CID Interrogatory No. 4, Appendix 5. The Affiliate Sharing section of the credit card agreement reads as follows:

Affiliate Sharing. We offer our customers the full resources of our banking insurance and investment capabilities. You agree that a consumer credit report may be requested periodically from one or more consumer reporting agencies (credit bureaus) and used in connection with your application and any update, renewal or extension of credit. We share customer information within our organization so that your accounts are properly serviced and to better meet your needs. If you prefer that we not provide this information (exception for information about our experiences with you) to other legal entities that are part of our corporate family, please write us at: Customer Information (CIS), Mail Code SPPN 0803, 336 North Robert Street, St. Paul, MN 55101.

Periodically we may share our cardholder lists with companies that supply products and services that we feel our customers will value. We carefully review these offers to insure that they meet our standards. You may request that your name and information not be given to these companies by writing us at US Bank National Association ND, P.O. Box 6345, Fargo, ND 58125-6345.

See Also Credit Card Agreement, Appendix 15.

42. Defendants have told their customers that:

"US Bancorp and its family of financial service providers understands that confidentiality is important to you and essential in our business. It is our policy that all personal information you supply to us will be considered confidential. This policy holds true no matter how we receive your personal information; over the phone, at our branches, through our ATMs or on-line at this Web site." www.usbank.com/privacy (May 25, 1999).

43. MemberWorks is not an affiliate of either US Bancorp or US Bank.

44. Once Defendants transfer the personal, confidential customer data to MemberWorks, it is used to target consumers for credit transactions, create bulk mail and telemarketing solicitations to Minnesota customers.

45. MemberWorks sells the membership program Countrywide Dental and Health service for an introductory price of \$89.95 per year and an annual renewal price of \$99.95 per year, payable in monthly renewals of \$8.95. The program promises free or nominal charge for X-ray and oral exams, discount pricing for dental work and access to a network of participating dentists along other benefits. This program was marketed to US Bank customers.

46. MemberWorks sells its membership programs for various prices which are set forth in the Membership Program. Appendix 9.

47. MemberWorks' programs are set up to offer either periodic monthly payment of fees or annual payment of fees. Appendix 9.

48. MemberWorks markets its program offering the customer a 30-day trial period. In its initial contact with Defendants' customers, MemberWorks asserts that it obtains verbal authorization to make a monthly deduction from the customer's checking account or a billing to the customer's US Bancorp credit card. Appendix 10, page 5.

49. Notice that MemberWorks will begin automatically deducting fees from the customer's checking account or billing the credit card is sent to Minnesota customers on a postcard. A copy of this postcard is attached as Appendix 8.

50. Neither MemberWorks nor Defendants obtain written authorization for electronic deductions from consumers' checking accounts.

51. Defendants' contracts with MemberWorks require Defendants to refer all consumer complaints to MemberWorks.

COUNT I

VIOLATION OF FAIR CREDIT REPORTING ACT

52. Plaintiff incorporates and realleges paragraphs 1-50.

53. By assembling and transmitting consumer reports (15 U.S.C. § 1681a(d)(1)) that is at least in part obtained from other sources, Defendants are a "credit reporting agency" as that term is defined by the FCRA. 15 U.S.C. § 1681a(f).

54. In the course of its actions, Defendants have willfully and/or negligently violated the provisions of the FCRA in the following respects:

- a. By willfully and/or negligently failing to provide consumer reports for a permissible purpose as required by § 1681b of the FCRA.
- b. By willfully and/or negligently failing to maintain reasonable procedures to ensure proper disclosure of information to third parties as required by §1681e.
- c. By willfully and/or negligently failing to maintain reasonable procedures to ensure compliance with consumer disclosure obligation as required by § 1681g.
- d. By willfully and/or negligently failing to respond to consumer disputes by § 1681c.

55. Alternatively, Defendants obtain credit reports about their customers from credit reporting agencies. These credit reports consist of credit scores, such as behavior and bankruptcy scores and other information provided by the credit reporting agency.

56. Defendants, as users of credit reports, are required by the FCRA to certify the purposes for which information is obtained from credit reporting agencies. 15 U.S.C. § 1681e(i) (a).

57. Defendants' failure to certify the uses of credit reporting information by its subsequent sale to MemberWorks violates the FCRA. 15. U.S.C. 1681e(a).

58. In addition to actual or compensatory damages, US Bank and US Bancorp are liable to the State of Minnesota on behalf of residents for damages resulting from violations of sections 1681n and 1681o of the FCRA.

COUNT II

PREVENTION OF CONSUMER FRAUD

59. Plaintiff incorporates and realleges paragraphs 1-58.

60. Minnesota Statutes § 325F.69, subd. 1 (1998) provides:

The act, use or employment by any persons of any fraud, false promise, misrepresentation, misleading statement or deceptive practice, with the intent that others rely thereon in connection with the sale of any merchandise, whether or not any person has in fact been misled, deceived, or damaged thereby, is enjoined as provided herein.

61. The privacy statement provided at Defendants' Web site does not advise customers that Defendants will sell their confidential information to third parties outside of its family of financial service providers.
62. The privacy statement provided at Defendants' Web site does not advise customers of whether or how they may opt-in or opt-out of the sale of their personal financial information to third parties by Defendants.
63. The privacy statement provided at Defendant's Web site does not provide the customer with any option as to how the Defendants choose to use the customer's personal, confidential information.
64. US Bank's Customer Agreement pertaining to checking accounts contains no information advising customers about the sale of confidential information to third parties or the nature and scope of the information being sold. Appendix 14.
65. The credit card agreement only contains US Bank information about the sale of confidential information in a paragraph titled "Affiliate Sharing" (i.e. other legal entities that are part of Defendants' corporate family). By titling the paragraph "Affiliate Sharing," consumers are deceived and/or misled regarding the sale of information to unrelated, non-affiliated entities. Appendix 15.
66. Defendants' failure to require or obtain written authorization prior to electronic transfer of funds violates both the Electronic Funds Transfer Act, Reg. E and NACHA Operating Rules and is thus a violation of Minnesota's Prevention of Consumer Fraud Act.
67. Defendants approved the use of deceptive and misleading telemarketing practices, including the refusal to provide literature to consumers without a prior sale and misrepresentations about the transfer of account numbers of bank customers to MemberWorks by Defendants.
68. Defendants' sale of personal, confidential information obtained from consumers in the course of a banking relationship violates Minnesota consumers' common law right to privacy

and is a deceptive and misleading act. *Lake v Wal-Mart Stores, Inc.*, 582 N.W.2d 231 (Minn. 1998).

69. The Defendants' intentional intrusion upon the private affairs or concerns through the sale of confidential information is highly offensive to a reasonable person.

70. Defendants' appropriation of its customers' personal and confidential information for its own use or benefit violates the common law right to privacy.

71. Defendants' publication of Minnesota consumers' private facts to third parties is highly offensive to a reasonable person. The publication of these private facts concerns matters which are not of legitimate concern to the public.

72. The privacy interests of Minnesota consumers in the confidentiality of their personal financial information affects the economic health and well-being of Minnesota residents.

73. Defendants' conduct has adversely affected hundreds of thousands of Minnesota citizens living in every county in the State of Minnesota.

74. The systematic violation of Minnesota consumers' common law right of privacy is a violation of Minnesota's Prevention of Consumer Fraud Act and Deceptive Trade Practices Act.

75. Defendants' conduct described in the above paragraphs 1-74 constitutes multiple, separate violations of Minn. Stat. § 325F.69, subd. 1 (1998).

COUNT III

VIOLATIONS OF MINN. STAT. § 325F.67 (1998)

FALSE ADVERTISING

76. Plaintiff realleges the allegations contained in paragraphs 1-75.

77. Minnesota Statutes § 325F.67 (1998) provides in pertinent part:

Any person, firm, corporation, or association who, with intent to sell or in anywise dispose of merchandise, securities, service, or anything offered by such person, firm, corporation, or association, directly or indirectly, to the public, for sale or distribution, or with intent to increase the consumption thereof, or to induce the public in any manner to enter into any obligation relating thereto, or to acquire title thereto, or any interest therein, makes, publishes, disseminates, circulates, or places before the public, or causes, directly or indirectly, to be made,

published, disseminated, circulated, or placed before the public, in this state, in a newspaper or other publication, or in the form of a book, notice, handbill, poster, bill, label, price tag, circular, pamphlet, program, or letter, or over any radio or television station, or in anything so offered to the public, for use, consumption, purchase, or sale, which advertisement contains any material assertion, representation, or statement of fact which advertisement contains any material assertion, representation, or statement of fact which is untrue, deceptive, or misleading, shall, whether or not pecuniary or other specific damage to any person occurs as a direct result thereof, be guilty of a misdemeanor, and any such act is declared to be a public nuisance and may be enjoined as such.

78. Defendants' advertising, such as the privacy notice posted on Defendants' Web site and in the credit card agreement, contains false, misleading and untrue information regarding the lack of confidentiality Defendants provide for the personal information they obtain from Minnesota consumers.

79. Defendants' conduct described in the above paragraphs 1-78 constitutes multiple, separate violations of Minn. Stat. § 325F.67 (1998).

COUNT IV

VIOLATIONS OF MINN. STAT. § 325D.44 (1998)

DECEPTIVE TRADE PRACTICES

80. Plaintiff realleges the allegations contained in paragraphs 1-79 above.

81. Minn. Stat. § 325D.44 subd. (5) and (13), provides in pertinent part as follows:

Subdivision 1. A person engages in a deceptive trade practice when, in the course of business, vocation, or occupation, the person:

... (5) represents that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that the person does not have;

... (13) engages in any other conduct which similarly creates a likelihood of confusion or of misunderstanding.

82. Defendants' approval of telemarketing scripts that fail to accurately convey the data Defendants have sold to MemberWorks deceives Minnesota consumers and creates significant confusion and misunderstanding.

83. Defendants' failure to require or obtain written authorization prior to electronic transfer of funds violates both the Electronic Funds Transfer Act, Reg. E and NACHA Operating Rules, and is thus a violation of Minnesota's Deceptive Trade Practice Act.

84. Defendants' sale of personal, confidential information obtained from consumers in the course of a banking relationship violates Minnesota consumers' common law right to privacy, and it is a deceptive trade practice. *Lake v Wal-Mart Stores, Inc.*, 582 N.W.2d 231 (Minn. 1998).

85. Defendants' conduct as described in the above paragraphs 1-84 constitutes multiple, separate violations of Minn. Stat. § 325D.44, subd. 1 (5) and (13) (1998).

RELIEF

WHEREFORE, Plaintiff, the State of Minnesota, by its Attorney General, Mike Hatch, respectfully asks the Court to award judgment against Defendants:

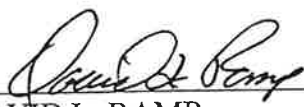
1. Declaring that Defendants' acts and practices described in this complaint constitute multiple, separate violations of the Fair Credit Reporting Act. 15 U.S.C. § 1681 et seq.
2. Declare that Defendants' acts and practices described in this complaint constitute multiple, separate violations of Minnesota's Prevention of Consumer Fraud Act. Minn. Stat. § 325F.69.
3. Declare that Defendants' acts and practices described in this complaint constitute multiple, separate violations of Minnesota's False Advertising Act. Minn. Stat. § 325F.67.
4. Declare that Defendants' acts and practices described in this complaint constitute multiple, separate violations of Minnesota's Deceptive Trade Practices Act. Minn. Stat. § 325D.44.
5. Enjoining, via the entry of a preliminary and permanent injunction, Defendants from engaging in the practices alleged in this Complaint and violating the above statutes. 15 U.S.C. § 1681s.
6. Awarding damages on behalf of the residents of the State of Minnesota as the result of willful and negligent violations of the FCRA §§ 1681n and 1681o.

7. Requiring Defendants make restitution in an amount to be determined by the Court and awarding judgment against Defendants for such amount.
8. Ordering Defendants to take such remedial measures as the Court deems appropriate.
9. Awarding judgment against Defendants and civil penalties pursuant to Minn. Stat. § 8.31, subd. 3 (1998).
10. Awarding Plaintiff its costs, including costs of investigation and reasonable attorney fees, as authorized by Minn. Stat. § 8.31, subd 3a (1998) and the FCRA.
11. Granting such further legal or equitable relief as the Court deems appropriate and just.


Dated: June 8, 1999

Respectfully submitted,

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