



KEN PAXTON
ATTORNEY GENERAL OF TEXAS

October 30, 2019

Prepaid Home Deductible, LLC
Attention: Daniel C. Armando
5 Indian Trail
Allen, Texas 75002

Via CMRRR: 7007 0220 0000 4338 5052

Re: Warning Regarding Likely Violations of Texas Deceptive Trade Practices Act

Dear Mr. Armando and Prepaid Home Deductible, LLC:

The Consumer Protection Division of the Texas Attorney General's Office has reason to believe that certain business practices of Prepaid Home Deductible, LLC likely violate the Texas Deceptive Trade Practices—Consumer Protection Act, Tex. Bus. & Com. Code §§ 17.41–17.63 (“DTPA”).

Specifically, this Office has reason to believe that you have distributed the attached solicitation to elderly residents of the Dallas neighborhoods hit by the recent tornados. This flier has sparked fear among these elderly residents by confusing them to believe the Texas Department of Insurance is sending them a public service announcement warning them to either purchase www.prepaidhomedeductible.com's prepaid deductible benefits or else, “All parties May be charged with a Criminal Misdemeanor punishable by jail and fine.”

These practices, if proven true, violate DTPA Sections 17.46(b)(2) and 17.46(b)(29).

Our expectation is that, having now been notified of the illegality of these practices, you will immediately discontinue these practices. This Office reserves the right to pursue all remedies available under law to protect Texas citizens and consumers. In this respect, the DTPA provides civil penalties of up to \$10,000 for each violation of that act, recovery of attorneys' fees and restitution, as well as entry of a court-ordered injunction against businesses that violate the act. Consistent with Texas' zero tolerance of scams targeting the elderly, the DTPA also includes an additional civil penalty of up to \$250,000 for deceptive acts and practices calculated to acquire or deprive money or property from consumers 65 or older.

If you have any questions regarding this matter, please contact me at the number below. Thank you for your prompt cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Robinson".

Robert Robinson
Assistant Attorney General

Consumer Protection Division
12221 Merit Drive, Suite 650
Dallas, TX 75251
Tel: (214) 969-7639
Fax: (214) 969-7615

Encl. Copy of solicitation flier

cc: Capital Administrations LLC
Registered Agent for Prepaid Home Deductible, LLC
1712 Pioneer Ave, Suite 115
Cheyenne, WY 82001
By CMRRR: 7007 0220 0000 4338 5069