



September 12, 2018

BY ELECTRONIC MAIL

Laura Smith
[REDACTED]

Bonnie Patten
[REDACTED]

TINA.org

Dear Ms. Smith and Ms. Patten:

As counsel for Stream Gas & Electric, Ltd. ("Stream"), this is an acknowledgement that Stream has received your letter dated September 10, 2018. As you know, Stream sells electricity, gas, and wireless telephone services to over 500,000 customers across the country.

Stream is proud to be one of the top five retail electric providers in the state of Texas and a part of the direct selling industry. As you know, the direct selling industry in the United States includes some 18.6 million direct selling representatives and is responsible for nearly \$35 billion in annual retail sales.

As an initial matter, your letter is replete with inaccuracies, inflammatory rhetoric, and misleading allegations. We are disappointed you did not seek out comment from Stream – as is prudent and customary for legitimate news outlets – before publishing your website content, sending letters, posting social media content, and furthering what appears to be an unprovoked campaign against Stream. Please be advised that Stream is investigating all legal remedies available to it in response to your actions.

Notwithstanding your campaign against Stream, the company will review and investigate the issues raised in your letter to the extent they concern potentially improper income claims. In December 2017, when Stream received another letter from you – one of 134 letters you sent out to member companies of the Direct Selling Association – Stream promptly investigated the matters you raised at that time. Even though some of the web links you sent at that time were deactivated or related to individuals no longer associated with Stream, the company nonetheless investigated all areas of potential concern and took appropriate action based on its investigation. Stream will again investigate these latest issues raised in your letter and again take appropriate action.



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Last, your attack on the federal court's preliminary approval of the *Torres, et al. v. SGE Management, L.L.C., et al.* settlement is badly misleading and yet another failed attempt at sound journalism. Not only are class members entitled to elect a cash payment, opt-out, or receive certain benefits under the settlement, the benefits option pays class members a premium for their sales of energy services.

Rewarding associates for energy sales is the very hallmark of Stream's marketing strategy, and the plaintiff group of independent associates in the lawsuit strongly supports this settlement because of the generous options and benefits the settlement confers on class members. Your letter suggests you are providing a public service by notifying government agencies, but that is simply not the case. Stream notified appropriate government agencies of the *Torres* settlement months ago.

Regrettably, your letter and recent actions have forced Stream needlessly to respond with the tone and substance of this letter. However, we appreciate your feedback and remain hopeful that cooperation between our organizations can occur going forward.

Sincerely,

A handwritten signature in blue ink, appearing to read "Daniel Terrell".

Daniel Terrell
Chief Legal Officer

cc: Mr. Andrew Smith (via email)
Ms. Lois Greisman (via email)



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