### **True Sexploitation:**

October 22, 2013

Lobby Watch received a rebuttal to this report from Mr. Herb Vest dated March 31, 2017. Read Mr. Vest's rebuttal here.

# Dating-Service Owner Selling Out Customers Wooed Texas Politicos

# Who Was True.com Owner Herb Vest Doing in Austin?

exas Attorney General Greg Abbott recently intervened to block bankrupt Internet dating site True.com from selling "highly sensitive" personal information about millions of members—including their sexual orientations—to another company.<sup>1</sup>

If True.com will sell out customers, *Lobby Watch* will dish on whom True.com owner Herb Vest of Dallas has been doing in Austin. Data suggest that Vest's orientation favors powerful GOP men. He has spent lavishly on Governor

Perry, Lieutenant Governor Dewhurst and Attorney General Abbott. Vest also has had a kinky fetish for hiring the governor's ex-subordinates as lobbyists.

Vest previously boosted the value of his H.D. Vest accounting firm by lobbying state governments to let accountants sell financial advice. Vest sold that firm to Wells Fargo for \$124 million in 2001. In 2003 Vest married for the third time and founded online dating service True Beginnings to redress the country's "prodigious divorce rate."

Vest's <u>True.com</u> site distinguished itself by conducting background checks to weed out married people and felons. To get a leg up, Vest lobbied states to force dating sites to conduct such screens or to warn users that they don't.



Vest-financed Sen. John Carona and Rep. Will Hartnett introduced failed bills in Austin to impose these requirements in 2005.<sup>3</sup> Texas later adopted such a bill by Sen. Leticia Van de Putte in 2011, when True.com had left the Austin lobby.<sup>4</sup>

The \$27,500 that General Abbott collected from Vest in 2004 and 2005 did not prevent him from trying to block True.com's sale of personal data eight years later. On the other hand, a more aggressive defender of consumers might have moved sooner than Abbott did.

True.com attracted millions of outspending by vastly customers competitors on racier Internet ads. The featured voluptuous women exploding out of their undies or blouses with such tag lines as, "It's nice to be naughty," or "Get them while they're hot." Vest told the New York Times that he opposes pervert-attracting porn but that "True is in favor of sex."5

Potentially of more concern to an attorney general's consumer protection automatically division, True.com generated "winks" to falsely suggest interest in a member by other members. complained Customers also True.com continued billing them for months after they cancelled the service. These practices triggered a 2007 federal class-action lawsuit.<sup>6</sup> It accused of violating True.com Texas' Deceptive Trade Practices Act, which General Abbott has now invoked six years later.

In its Texas Capitol heyday, True.com paid six lobbyists a total of up to \$900,000 to lobby the legislature from 2004 through 2007. True.com's lobby team included two former gubernatorial aides: Billy Phenix and Mike Toomey.

True.com also retained Lara Laneri Keel of the <u>Texas Lobby Group</u>, which took over Toomey's clients while he was Perry's chief of staff from late 2002 through 2004. Here's where this politically connected dating service gets truly incestuous.

## Herb Vest & Linda Cerf Contributions Since True Beginnings Began in 2003

Silice	True beginnings	Degan in 2003	
Amount	<b>Hot Recipient</b>	Office Held/Sought	
\$35,000	David Dewhurst	Lt. Governor	
\$35,000	Rick Perry	Governor	
\$27,500	Greg Abbott	Attorney General	
\$10,000	Tom Craddick Speaker/House		
\$5,500	Will Hartnett House		
\$5,000	John J. Carona Senate		
\$5,000	Nate Crain Dallas Co. GOP C		
\$5,000	Troy Fraser Senate		
\$5,000	Wallace Jefferson Supreme Court		
\$5,000	Stars Over Texas PAC	Speaker Craddick	
\$2,500	Phil Johnson	Supreme Court	
\$2,500	Florence Shapiro	Senate	
\$2,500	*Jesse 'Dale' Wainwright	Supreme Court	
\$2,000	Jane Nelson	Senate	
\$1,000	*Kip Averitt	Senate	
\$1,000	*Kyle Janek	anek Senate	
\$1,000	James 'Brian' McCall House		
\$1,000	James R. Pitts	House	
\$1,000	John T. Smithee	House	
\$1,000	*Burt Solomons	House	
\$1,000	Carole K. Strayhorn	Comptroller	
\$1,000	*Leticia Van De Putte Senate		
\$500	Daniel H. Branch House		
\$500	Helen Giddings House		
\$500	Toby Goodman House		
\$500	Linda L. Harper-Brown House		
\$500	Geanie W. Morrison House		
\$500	*Lois W. Kolkhorst House		
\$500	Jodie A. Laubenberg House		
\$250	*Dwayne A. Bohac House		
\$250	Larry Taylor House		
\$100	Tena T. Callahan District Judge #302		
\$100	Patricia 'Lynn' Cherry District Judge #301		
\$100	*Dennise Garcia District Judge #303		
\$100	David Hanschen	District Judge #254	
\$100	Lori Chrisman Hockett	District Judge #255	
\$100	Marilea W. Lewis	District Judge #330	
\$160,100 TOTAL			
Linda Carf n	a a al a 41a a a a al a a a 41a a a / a a al	Lagra Dowburgt \$10,000	

<sup>\*</sup> Linda Cerf made these donations (and gave Dewhurst \$10,000).

When Toomey and Laneri Keel were lobbying for True.com in December 2006, Rep. Helen Giddings reported a \$500 contribution from Linda Cerf of Dallas, whom Giddings identified as an employee of Keel's Texas Lobby Group. Just two days earlier, Rep. Lois Kolkhorst reported that she received \$500 from "Linda B. Cerf and Herb D. Vest."

Such joint contributions are typically made by married couples. But the Vest-Cerf donation

occurred during Vest's marriage to Kerensa Fite Vest (which ended <u>badly</u> in 2010). Documents suggest that Cerf worked for True.com and previously worked at Vest's accounting firm as early as 1994.

This long working relationship—combined with their joint political contribution—qualify Cerf and Vest for an online "wink." •

True.Com Texas Lobbyists, 2004-2007

Min. Value	Max. Value		
of Contracts	of Contracts	Hot Texas Lobbyist	Contract Year(s)
\$300,000	\$350,000	George H. Clements III	2004, 2005
\$150,000	\$250,000	Lara Laneri Keel	2005, 2006, 2007
\$50,000	\$100,000	Jason Johnson	2006, 2007
\$50,000	\$100,000	Michael Toomey	2005, 2006
\$25,000	\$50,000	Stephanie Gibson	2005
\$25,000	\$50,000	William 'Billy' Phenix	2006
\$600,000	\$900,000	TOTALS	

### **Notes**

New Jersey was the first state to pass such a bill in 2008. "Safety Issue Splits Online Dating Sites," *Houston Chronicle*, February 12, 2008.

<sup>&</sup>lt;sup>1</sup> "Abbott Objects to Sale of Data," *Austin American-Statesman*, October 17, 2013. Abbott alleges that new customers signing up with True.com were assured that their personal information would not be transferred without their consent, while a contradictory privacy policy said that this data could be transferred to any third-party buyer. "<u>Attorney General Seeks to Stop Sale of Online Private Customer Information</u>," Office of Attorney General Press Release, October 16, 2013.

<sup>&</sup>lt;sup>2</sup> "Dallas Man Behind Bill to Regulate Computer Dating," *Dallas Morning News*, April 28, 2005.

<sup>&</sup>lt;sup>3</sup> S.B. <u>337</u> and <u>H.B. 1307</u>.

<sup>&</sup>lt;sup>4</sup> Van de Putte's S.B. 488 (identical to Rep. Diane Patrick's <u>H.B. 1052</u>) created the Internet Dating Safety Act.

<sup>&</sup>lt;sup>5</sup> "Hot But Virtuous Is an Unlikely Match for an Online Dating Service," *New York Times*, March 19, 2007. <sup>6</sup> *Wong v. TrueBeginnings LLC*, 3:07-cv-01244-N. This lawsuit yielded a \$1.5 million settlement in 2009. It included \$900,000 in attorney fees and payments of \$35 - \$50 per qualifying member (depending on the number of months a customer was charged after cancellation).