



For Immediate Release

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**ATTORNEY GENERAL MADIGAN REACHES AGREEMENTS WITH
CONNECTICUT COMPANY AND CHASE BANK REGARDING
ALLEGEDLY DECEPTIVE CHECK SOLICITATIONS**

Chicago — Attorney General Madigan today announced separate settlements totaling \$14.5 million, with 16 states and Chase Bank and Trilegiant Corp., to resolve allegations that the companies unlawfully deceived consumers into paying for membership programs for discounts on car and home repair, shopping, and other goods and services. Joining Illinois in today's settlements are the Attorneys General of Alaska, California, Connecticut, Iowa, Maine, Michigan, Missouri, North Carolina, New Jersey, Ohio, Oregon, Pennsylvania, Tennessee, Vermont, and Washington. The settlements also involve Chase Home Finance and TRL Group, Inc.

Under the settlements with Chase and Trilegiant, Trilegiant must pay \$8.325 million in restitution to all consumers in the 16 states who either have complained to Trilegiant or the State Attorney General's Office, or who complain in writing within the next nine months. Of the 16 states involved in the settlement, approximately eight percent of the impacted consumers live in Illinois. Trilegiant and Chase also will pay \$6.175 million to the settling states for consumer education and enforcement. Illinois' share of payment for consumer education and enforcement is \$652,128.

The settlements resolve claims that Trilegiant, through a partnership with Chase, solicited consumers with offers of "free" trials in membership programs without adequately informing the consumers that Trilegiant would charge their Chase credit cards or Chase mortgage accounts if the consumers did not take action to cancel the "free" trial within a specific period of time. As part of their partnership, Chase and Trilegiant entered into agreements under which Trilegiant gained access to Chase's customers for the purpose of marketing the membership programs. In soliciting Chase customers, Trilegiant used Chase's name and provided Chase with the right to review and approve the marketing materials.

As part of this marketing scheme, Trilegiant and Chase sent consumers the solicitations for the "free" trial memberships in mailings with the Chase Bank logo. Trilegiant and Chase often sent the solicitations in either the consumer's mortgage or credit card statements and often included a check for a small amount of money, between \$2 and \$10. As a result of this packaging, many consumers thought these solicitations were rebates or rewards for being a

Chase credit card or Chase mortgage customer when, in fact, they were solicitations from Trilegiant.

By cashing the check, the consumer purportedly agreed to pay for the membership program after the trial period ended through either his Chase credit card or Chase mortgage account. To accomplish this, Trilegiant's agreement with Chase enables Trilegiant to charge a consumer's credit card or mortgage account without requiring that the consumer providing the account information directly to Trilegiant.

As a continuing part of this scheme, if the consumer did not affirmatively cancel the membership within the required time, Trilegiant, pursuant to its agreement with Chase, automatically billed the membership fees to the consumer's Chase credit card or mortgage statement on either a monthly or yearly basis, depending on the particular membership program. Trilegiant then continued to charge consumers until they finally cancelled their membership.

The names of the membership programs involved in these solicitations include, but are not limited to, AutoVantage Gold Service, AutoVantage Service, Buyers Advantage Service, CompleteHome Service, Just for Me, Pet Privileges Service, Shoppers Advantage Service and Travelers Advantage Service.

"Consumers have a right to know when they are making a purchasing decision. If consumers are being asked to accept a free trial offer that will result in a charge on their credit card or mortgage statement, the company making the offer must clearly explain that to the consumer. This settlement is intended to ensure that consumers receive this important information so that they can make informed choices," Madigan explained.

To protect consumers from unlawful deception in the future, the settlement requires reforms of Trilegiant's and Chase's business practices. Under these requirements, future solicitations sent by Trilegiant, or any other company that solicits Chase customers in a similar manner, must clearly disclose all terms of any "free" trial, including when and how the customer will be billed for any membership and how to cancel a membership. Additionally, the settlement prohibits Chase and Trilegiant from engaging in any deceptive conduct in the marketing of membership programs, such as identifying the solicitation as a "reward" or "rebate" offer, or implying that a check or other premium offered as part of a solicitation is anything other than a benefit or incentive for the purchase of a membership.

Under this settlement, consumers who (1) signed up for membership in a Trilegiant club through any bank or other company with which they did business and (2) were first charged membership fees on or after July 1, 2001 are eligible to receive a refund of membership fees they have paid. The settlement does not constitute an admission of wrongdoing by Chase or Trilegiant.

Consumers who are concerned that they may have unknowingly paid for a membership program, regardless of their bank, should carefully examine their credit card or mortgage statements for any of the program names listed in this press release and should also monitor their mail for any notices from Trilegiant. Consumers can also contact Trilegiant electronically at www.trilegiant.com, or by mail at Trilegiant Corporation, 100 Connecticut Avenue, Norwalk, CT 06850, ATTN: K. Buonagurato.

Illinois Consumers who would like to submit written complaints requesting restitution for unauthorized charges must submit those complaints to: Illinois Attorney General's Office, Consumer Fraud Bureau, 500 South Second Street, Springfield, IL 62701.

Complaints must be postmarked by September 7, 2007.

Consumers can obtain complaint forms from the Attorney General's office by going to the website at www.illinoisattorneygeneral.gov or by calling the Attorney General's Consumer Fraud hotline at 1-800-243-0618 (1-877-844-5461 TTY) or the Attorney General's Spanish language Consumer Fraud hotline at 1-866-310-8398.

In general, consumers are urged to monitor their credit card and mortgage statements each month to check for unauthorized or disputed charges. Consumers who see an unauthorized charge should call and write their credit card or mortgage company and also file a complaint with the Attorney General's office.

The Trilegiant solicitation is only one of the possible ways in which a consumer may be asked to try a "free trial" for a membership club or other product. Madigan recommends that consumers follow these tips and ask the following questions to avoid these scams:

- Consumers should make sure they have all the facts before accepting an offer. Never be pressured into making an immediate decision to accept a trial offer if you don't have all of the information.
- To avoid being caught off guard by a surprise charge, remember that even if you have not provided billing information, the company may already have this information from a previous purchase or through an agreement with your credit card or bank. Asking the questions below will help make sure consumers have the information to make an informed decision.
- Is the company making the offer trustworthy?
- Is the product or service right for me?
- What do I know about the trial offer?
- What happens when the trial offer ends? Do I need to take action to avoid being charged if I decide I don't want the service?
- How will I be billed for this product or service?
- What do I need to do if I want to cancel this service?

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