



For Immediate Release
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**ATTORNEY GENERAL MADIGAN SUES UTAH COMPANIES FOR
MISLEADING CONSUMERS WITH FALSE PROMISES OF
INTERNET BUSINESS SUCCESS**

Chicago — Attorney General Lisa Madigan today filed a lawsuit in Madison County Circuit Court against two Utah businesses, StoresOnline, Inc. and Galaxy Mall, Inc., for misleading consumers with false promises to help them set up internet businesses.

StoresOnline and Galaxy Mall both promise to provide everything consumers need to get an online business started, including software to set up a web page, access to online payment mechanisms, and training courses to pull it all together. But, according to Madigan's complaint, once consumers pay thousands of dollars for these services, the two businesses fail to fulfill their promises, leaving consumers with nothing.

Madigan's complaint specifically alleges that StoresOnline and Galaxy Mall, both based in Orem, Utah, lure Illinois consumers to a free lunch, where they encourage consumers to attend a "training session" to learn how to start a successful online business. However, the "training session", for which consumers pay a nominal fee, actually is a 6 to 8-hour sales presentation for the defendants' products. During the "training session", the defendants allegedly promise consumers:

- that the products are easy to use and consumers will not need computer experience;
- that the contracts for the products provide for a three-day period during which consumers can cancel the contract and obtain a refund; and
- that the defendants will provide any assistance the consumers may need to start their online businesses.

In contrast to the sales pitch, the complaint alleges that:

- the products are not easy to use, and even consumers with computer experience were not able to set up their online stores;
- the defendants refused to cancel contracts and provide refunds, even when consumers attempted to cancel within the first three days; and

- the defendants failed to provide the promised technical support for the products

In terms of technical support, the complaint alleges that some consumers could not even reach the defendants to ask for assistance. When other consumers succeeded in contacting the defendants to request help, the complaint asserts that the defendants referred them to a consulting company which sought to charge an additional fee for technical assistance.

“Consumers need to be very skeptical of any marketing efforts that promise easy access to the world of internet business,” Madigan said. “If a sales pitch sounds too good to be true, it probably is. Consumers must be wary of unscrupulous businesses that prey on the desire to attain easy wealth through the internet.”

Madigan’s office received complaints against the defendants from consumers who live in Madison, Cook, Lake, Kane, Rock Island, Winnebago, Peoria, Sangamon, and Kankakee Counties. Based on these contacts with consumers, the complaint alleges that 15 Illinois consumers paid a total of over \$91,000 to the defendants to set up online businesses, but none of the consumers succeeded in setting up an online business or in obtaining a refund from the defendants.

Madigan’s lawsuit alleges that the defendants violated the Illinois Consumer Fraud and Deceptive Business Practices Act. As a specific example of how the defendants’ scheme worked, the lawsuit alleges that one consumer, after being directly solicited by StoresOnline, attended a free StoresOnline lunch to learn how to start an internet business.

The complaint alleges that at the lunch, StoresOnline solicited the consumer to attend an all day “training session” in Collinsville, Illinois for a nominal fee. The “training session”, according to the complaint, turned out to be an 8-hour sales presentation consisting of testimonials about StoresOnline’s services and products. The sales pitch for StoresOnline’s products allegedly included statements from StoresOnline about how simple the products are to use and that the consumer did not need to have any computer or business experience to be successful. During the sales presentation, StoresOnline allegedly assured the consumer that its staff would assist him in using the products to set up his business. According to the complaint, this consumer paid over \$2600 for the products, but has never received the promised technical support and has not been able to get the StoresOnline products to work as expected.

Madigan’s lawsuit asks the court to prohibit the defendants from engaging in the sale or promotion of business products, training, and other services and from further violating Illinois’ consumer protections laws. The lawsuit seeks a civil penalty of \$50,000 and additional penalties of \$50,000 for each violation found to have been committed with intent to defraud. Finally, Madigan’s lawsuit asks the court to rescind the contracts and order the defendants to pay restitution to consumers and to pay all costs for the prosecution and investigation of this case.

Assistant Attorney General Jeffrey Feltman is handling the case for Madigan’s Consumer Fraud Bureau.

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