



For Immediate Release
July 17, 2008

Media Contact: Robyn Ziegler
312-814-3118
rzeigler@atg.state.il.us

MADIGAN SETTLES WITH PUBLISHING COMPANY SOLICITING FUNDS FOR HIGH SCHOOL SPORTS TEAMS

Company Agrees to Provide Refunds to Business Owners

Chicago – Attorney General Lisa Madigan today announced that she has reached a settlement with a Peoria publishing company accused of selling advertising space to small business owners claiming their ads would help support local school sports programs. The Attorney General’s settlement ensures the business owners who purchased advertising on local school sports schedule posters will receive full refunds.

“My office continues to work on this case to ensure all impacted consumers and small business owners regain the money they believed would be contributed to the school sports programs in their communities,” Madigan said. “I encourage these business owners to file complaints with my office as soon as possible.”

Loyalty Publishing, Inc., doing business as All-Star Publishing, ceased producing the sports schedule posters after Attorney General Madigan filed suit in May 2007 and already has repaid more than \$27,000 to consumers. As part of the settlement negotiated by the Attorney General’s office, the company has agreed to provide full refunds to any additional parties who purchased advertising on school sports posters, as long as they file a complaint with Attorney General Madigan’s Consumer Fraud Bureau by Sept. 12. Consumers can submit complaints to the Attorney General’s Office at 500 S. Second St., Springfield, IL, 62701. Complaint forms are available online at www.illinoisattorneygeneral.gov or by calling the Attorney General’s Consumer Fraud Hotline at 1-800-243-0618.

The settlement agreement also requires Loyalty Publishing to contribute \$5,000 to the Attorney General’s consumer enforcement and education fund, which will be used to fund enforcement of the state’s consumer protection laws. Loyalty Publishing did not admit to any wrongdoing in this settlement.

Madigan’s office began investigating Loyalty Publishing’s alleged deceptive practices after receiving complaints from high school principals and athletic directors around Illinois and across the country, claiming that the company, purporting to be affiliated with their schools, had called small businesses in the

schools' communities to purchase advertising space on game schedules and sometimes indicated that proceeds would benefit the schools' athletic teams.

In addition to complaints from school districts, Madigan's Consumer Fraud Bureau received complaints from businesses solicited by the defendants, claiming that they would not have purchased ad space if they had known that Loyalty Publishing was not affiliated with area high schools, thus diverting money away from genuine booster club fundraising. Complaints reported to Attorney General Madigan's Consumer Fraud Bureau came from across five states: Minnesota, Missouri, Ohio, Oregon and Washington.

Madigan's investigation not only revealed that there was no affiliation or relationship between Loyalty Publishing and the schools, but that, in most cases, the company only contributed a nominal amount of money to the schools. The school districts often returned the \$50 or \$100 checks to show their disapproval of the manner in which the company had obtained the money.

Terms of the settlement also require that, in the event the defendant opts to raise charitable funds in the future, Loyalty Publishing is prohibited from using a school's name or identity without prior written authorization and forbids the company from indicating funds raised will go toward school athletic programs if, in fact, no donation or only a nominal donation is to be made. Finally, the settlement agreement requires Loyalty Publishing to register as a professional fundraiser with the Illinois Attorney General's office and to comply with all applicable provisions of the Illinois Solicitation for Charity Act.

Assistant Attorney General Cassandra Karimi handled the case for Madigan's Consumer Fraud Bureau.

-30-

[Return to July 2008 Press Releases](#)