



October 30, 2008

MADIGAN, 36 ATTORNEYS GENERAL REACH SETTLEMENT WITH STUDENT MARKETING RESEARCH FIRM

Company Agrees to Modify Opt-Out Disclosures in College Research Surveys

Chicago — Attorney General Lisa Madigan today announced that a Morristown, N.J. student marketing research firm has agreed to change how it collects and discloses students' personal information under a settlement reached with her office and 36 other Attorneys General.

Educational Research Center of America, Inc., (ERCA) entered into the settlement based on allegations that it asked high school and junior high students for personal information such as their ethnic background, honors won, and sports and extracurricular activity participation, but failed to clearly and conspicuously disclose opt-out procedures to those students and their parents. ERCA also allegedly offered educators \$40 and \$50 gift cards from companies including Staples, VISA and OfficeMax to encourage them to distribute surveys to students. ERCA provided the survey results to colleges and commercial businesses that market to students.

"It's important that parents and students are aware of who has access to their personal information, how that information is used, and that they have the option to keep this information from being shared with third parties," Madigan said. "This settlement will create more transparency so that students and their parents can be in control of their personally identifiable information."

Under this settlement, ERCA is required to clearly disclose how students or parents of students under 18 can opt-out of the survey. ERCA also will cease offering financial incentives to educators to distribute the survey to students. The company did not admit any violations of state consumer protection statutes, and it will pay \$200,000 to the states for investigative costs, attorney fees, and consumer education and litigation.

Other participating Attorneys General included those from Alabama, Alaska, Arizona, Connecticut, Delaware, Hawaii, Indiana, Iowa, Louisiana, Maine, Maryland, Michigan, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, Wyoming and the District of Columbia.

Assistant Attorney General Christine Nielsen handled the case for Madigan's Consumer Fraud Bureau.

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