



February 3, 2010

MADIGAN SUES SPRINGFIELD FIRM FOR DECEPTIVELY SELLING ADVERTISING TO SMALL BUSINESSES IN RESTAURANT MARKETING SCHEME

Springfield — Attorney General Lisa Madigan today filed a lawsuit in Sangamon County Circuit Court alleging a Springfield man's two marketing firms deceptively solicited small businesses nationwide to purchase advertising space on local restaurant placemats when the placemats were either never actually produced or never used by the restaurants.

"Small businesses are already struggling to overcome today's difficult economic conditions. The last thing business owners need is to be targeted for false advertising opportunities that clearly will never benefit their bottom lines," Madigan said.

Madigan filed the suit against Andrew Ross and two companies that he operates, Nationwide Marketing and Coast to Coast Advertising, both of which do business as Nationwide Advertising. Through both companies, Ross employed telemarketing sales agents to sell small business owners advertising space on placemats that allegedly would be displayed at restaurants in the businesses' local communities. According to Madigan's lawsuit, the telemarketers falsely represented to prospective customers that the defendants had contracts with restaurants to supply the placemats. In fact, most of the restaurants that the telemarketers mentioned in their sales pitches were unaware of the defendants or any such marketing agreement.

After placing charges on customers' credit cards during the telemarketing call, the defendants later sent consumers written contracts indicating that the customers would be automatically billed each year unless the customers cancelled the contract and that the defendants were not responsible for whether restaurants actually use the placemats. Madigan's lawsuit alleges that the defendants failed to notify customers of these terms in their initial sales call and later failed to give the small business customers refunds when requested.

Madigan's office has received 82 consumer complaints from consumers in Adams, Champaign, Macon, McLean, Peoria, Randolph, Saline, Sangamon, and Vermilion counties, as well as from 15 from consumers outside of Illinois.

Madigan's lawsuit alleges that the defendants violated the Illinois Consumer Fraud and Deceptive Business Practices Act and the Uniform Deceptive Trade Practices Act. The lawsuit asks the court to prohibit the defendants from offering for sale and selling advertising opportunities in violation of state consumer protection and trade practice laws. Madigan's complaint also asks the court to order the defendants to pay restitution to consumers, a \$50,000 civil penalty, an additional \$50,000 penalty for each violation of state law committed with the intent to defraud and all costs associated with the investigation and prosecution of the case.

Assistant Attorney General Avonne M. Seals is handling the case for Madigan's Consumer Fraud Bureau.

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