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March 18, 2010

**MADIGAN REACHES AGREEMENT WITH PINNACLE SECURITY TO BAN  
DECEPTIVE PRACTICES**

***Resolves Lawsuit Alleging Company Used Misleading Sales Tactics to  
Sell Security Systems***

Chicago — Attorney General Lisa Madigan today announced an agreement with Pinnacle Security, LLC, to ban the security company from using purposely deceptive tactics and provide restitution for its victims. The settlement resolves a lawsuit the Attorney General filed in October 2009 in Vermilion County Circuit Court alleging the company sold home security products using deceptive sales tactics that often left unsuspecting customers locked into two separate sales contracts for security services.

"Many Illinois homeowners who signed up for home security products as a result of Pinnacle's false claims were stuck paying for services they didn't need," Madigan said. "This agreement is intended to put an end to those fraudulent sales practices, require the company to police its sales force more closely and provide some relief for customers."

According to the settlement terms, the Orem, Utah-based company is banned from misrepresenting its service terms and its affiliation with a consumer's current security company. The settlement requires Pinnacle Security to inform consumers that they may have to pay a termination fee if they currently have a contract with another home security company. Pinnacle Security also must refrain from paying commission to sales personnel who obtain contracts through fraudulent tactics. In addition, Pinnacle Security is required to pay restitution to eligible consumers who entered into contracts as a result of unfair and deceptive sales tactics.

Consumers can request restitution before May 8, 2010, by calling the Attorney General's Consumer Fraud Hotline at 1-800-243-0618 or by writing to Pinnacle Security at:

Sarah Jane Jennings  
Pinnacle Security, LLC  
1290 Sandhill Rd.  
Orem, Utah 84058

Madigan's lawsuit alleged that Pinnacle Security employed a door-to-door sales force that targeted customers of other, rival home security services, and used misleading statements to convince Illinois residents that Pinnacle Security had secured strategic partnerships with rival firms like ADT or that ADT had gone bankrupt and that Pinnacle Security would be servicing ADT customers as a result. Based on these alleged misleading statements, the sales teams would convince consumers to sign a new contract with Pinnacle Security. In some cases, the defendant's sales force also allegedly misrepresented Pinnacle Security's rates by saying that the company would not charge consumers an installation fee and that the monthly service charge would range from a promotional rate of \$21.99 to \$39.

After signing new contracts with Pinnacle Security, however, consumers discovered that ADT was still in business and that no business relationship existed between the two rival companies. At that point, Pinnacle Security allegedly refused to allow consumers to cancel their contracts, leaving consumers liable to pay for both their original home security contract with ADT (or another home security company) and their new contract with Pinnacle Security. Madigan's lawsuit also alleged that the company misrepresented its fee structure and billed its customers an installation fee of \$99 and an inflated \$49 monthly charge for a 38-month contract.

Assistant Attorney General Philip Heimlich handled the case for Madigan's Consumer Fraud Bureau in Springfield.

[Return to March 2010 Press Releases](#)



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