

Press Releases

September 22, 2010

ATTORNEY GENERAL MADIGAN SETTLES "CRAMMING" CASE

Company must not solicit or bill any new Illinois consumer for Internet Yellow Page listing

Chicago — Attorney General Lisa Madigan announced today her office has settled the lawsuit against a Las Vegas corporation over allegations it scammed money from small business owners in Illinois and across the country in a practice known as "cramming." Cramming describes charges added onto phone bills for services consumers are unaware of, did not order or did not want.

The settlement with YP.com, which incorporated under the name Live Deal, Inc., requires the company not solicit or bill any new Illinois consumers for Internet Yellow Page listings.

"This company operated under a guise of free Yellow Page listings, but in reality was deceiving unsuspecting businesses," Madigan said. "When business owners attempted to stop the additional charges and cancel the service, they found they couldn't get through to company representatives."

The lawsuit against Live Deal for violating the Consumer Fraud and Deceptive Business Practices Act was filed in November 2008. Madigan's Consumer Fraud Bureau received more than 20 phone bill cramming complaints against YP.com before filing the complaint.

The company's practice was to call small business owners to "confirm" their information for free Yellow Page listings. In fact, the listings were free for only 30 days. If the consumer did not take action to cancel the service after 30 days, the company crammed a \$35.95 monthly fee onto the consumer's bill. Consumers who tried to cancel this service had difficulty because the customer service line was continually busy.

Under the agreement, Live Deal must also increase transparency to its solicitation practices to better inform consumers of its sales process for any product it intends to sell to Illinois consumers. The court also ordered the company to pay \$10,000 and any remaining consumer refunds.

Consumers affected by the scheme have until Oct. 30, 2010, to apply for a refund or credit for unauthorized charges. Small businesses can download a consumer complaint form from the Attorney General's Web site at <u>www.illinoisattorneygeneral.gov</u> or by calling the Attorney General's Consumer Fraud Hotline at the following numbers:

Chicago 1-800-386-5438 Springfield 1-800-243-0618 Carbondale 1-800-243-0607

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

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