



Ohio Attorney General Nancy Rogers
Consumer Protection Section
2008 ANNUAL REPORT





Dear fellow Ohioans:

It has been an honor and pleasure to serve as the Attorney General of Ohio. During my tenure, the Consumer Protection Section continued to be emphasized as a critical section in the office of the Attorney General. Protecting the consumer rights of Ohio citizens, particularly those most vulnerable to unscrupulous sales practices, has been a high priority of my administration. At the same time, I stressed the need to work with legitimate businesses to ensure that they operate in compliance with Ohio consumer laws.

Aggressive enforcement of the Homebuyers' Protection Act (the predatory lending law) has been a focal point of the Consumer Protection Section. Our current economic climate dictates the need for this to be a continuing priority. We cannot tolerate the widespread predatory lending practices that have become the norm in Ohio. The Consumer Protection Section has already pursued a variety of predatory lending related cases. Specific target areas have included appraisal scams and foreclosure rescues.

During the past year, the Consumer Protection Section has also focused on consumer fraud related to home improvement, motor vehicles, telemarketing, and internet sales. Ohio joined other state Attorneys General in reaching significant settlements related to deceptive pharmaceutical solicitations and business practices. The section has also aided in the criminal investigations and prosecutions of some of the most egregious suppliers.

Consumer complaints remain at the core of the Consumer Protections Section. Mediation of consumer complaints has proven to be an effective method to resolve as many disputes as possible. The complaints are also a primary source of targets for our litigation. It is easier than ever to file a consumer complaint with my office. Consumer complaints can be filed via a toll free number, 1-877-AG4OHIO (1-877-244-6446) or taken online at www.ag4ohio.gov.

Sincerely,

A handwritten signature in black ink that reads "Nancy H. Rogers". The signature is written in a cursive, flowing style.

Nancy H. Rogers
Attorney General

REPORT TO THE GOVERNOR AND GENERAL ASSEMBLY ON THE OPERATIONS OF THE ATTORNEY GENERAL UNDER CHAPTER 1345 OF THE REVISED CODE

2008 ANNUAL REPORT

A. SCOPE

Chapter 1345 of the Revised Code, entitled the Consumer Sales Practices Act, prohibits a supplier from committing an unfair, deceptive or unconscionable act or practice in connection with a consumer transaction. Since its inception in 1972, the Consumer Sales Practices Act has proven to be a fair and effective regulatory scheme, providing both protections for Ohio consumers and marketplace flexibility for Ohio businesses. It remains the primary consumer protection statute in Ohio. The Act gives the Attorney General the duty and power to enforce the Act on behalf of Ohio consumers. It is one of the most comprehensive consumer protection statutes in the nation. Additionally, this statute requires the Attorney General to report to the Governor and the General Assembly on the operations of the Attorney General with respect to Chapter 1345 of the Revised Code, and on the acts or practices occurring in this State that violate this chapter. Pursuant to this statutory provision, the Attorney General provides the following report on the Consumer Protection Section's activities since January, 2008.

B. ENFORCEMENT

The Attorney General is empowered to investigate violations of the Consumer Sales Practices Act, and if violations are discovered, the Attorney General may enforce the law. To accomplish this, the Section has several tools at its disposal. The Attorney General may issue a Cease and Desist order to address the supplier behavior that may violate the law. In addition, the Attorney General has authority to enter into an Assurance of Voluntary Compliance, a formal out-of-court agreement between the Attorney General and the supplier in which the supplier agrees to cease violating the law, agrees to reform business practices, make appropriate restitution, and when appropriate, pay civil penalties. Finally, the Attorney General can pursue litigation to address possible violations. A portion of the cases are handled as multi-state actions, in cooperation with other state Attorney General offices.

Consumer Protection in Ohio has been expanded throughout the years to include many statutes beyond the Consumer Sales Practices Act. In all, the Consumer Protection section is charged with the responsibility to enforce twenty-six Ohio consumer protection laws, through civil legal proceedings. In addition, the Consumer Section has concurrent jurisdiction to enforce numerous federal consumer protection statutes. No consumer protection statute gives the Attorney General original criminal prosecutorial authority, although the Home Buyer Protection Act gives the Attorney General authority to prosecute, if a local prosecutor declines a referral for prosecution.

The Legal and Investigation Units work together to ensure compliance with Ohio consumer laws. The Consumer Protection Section opened 364 investigations in 2008. Those investigations have thus far resulted in the initiation of thirty-five lawsuits for various unfair, deceptive and unconscionable business practices. In the past year, the section obtained forty-nine judgments and Assurances of Voluntary Compliance totaling over \$14,000,000 in consumer restitution, civil penalties, costs, and other relief. Below are summaries of the lawsuits and settlements that occurred in 2008:

LAWSUITS FILED IN 2008

AIRBORNE, INC.: This case involved a thirty-two state multi-state investigation and settlement. Ohio served on the Executive Committee of the multi-state. The Complaint was filed on December 16, 2008. An Agreed Entry and Final Judgment Order (“Order”) was submitted to the Court for approval when the Complaint was filed. The Order provided for comprehensive injunctive relief regarding the marketing of Airborne, Inc.’s many dietary supplement “cold remedies.” The injunction prohibits many of the “cold relief” claims that Airborne had been making and requires substantiation of any future claims about its products. Airborne made a monetary payment of \$7,000,000 to the multi-state. Ohio’s share of this payment was \$460,000 for attorney fees and costs.

ANDREWS CYCLES: A lawsuit was filed in Columbiana County on March 7, 2008. The lawsuit against W.W. Cycles, Inc, d/b/a Andrews Cycles alleged violations of Ohio's Advertisement and Sale of Motor Vehicles Rule. Andrews Cycles was advertising motor vehicles at prices which did not include the freight, assembly, and/or dealer service charges. The dealership then added those charges, which ranged from \$50-\$850, to the contract price after the consumers had agreed to purchase the motor vehicles. The case was resolved through an Agreed Consent Judgment Entry and Order that was submitted to the court when the case was filed. The order provided for declaratory and injunctive relief, \$50,000 in civil penalties with \$25,000 suspended, and \$15,000 in costs with \$5,000 suspended. It also required the business to make automatic refunds to consumers who filed complaints with the Attorney General’s office pursuant to the terms of the Consent Judgment, resulting in \$93,551.37 in consumer restitution.

APPLEBY PAINTING/TROY APPLEBY: A lawsuit was filed on February 4, 2008 in Franklin County Court of Common Pleas alleging violations of the Consumer Sales Practices Act in the solicitation and sale of home improvement services. The defendants, Appleby Painting and Troy Appleby, entered into contracts with consumers for house painting and failed to deliver the agreed upon services. Specifically, the lawsuit alleges that the defendants entered into contracts with consumers on terms they knew were substantially one-sided in their favor, made deceptive statements which consumers relied on to their detriment, and failed to deliver the services within eight weeks of accepting full payment. The case is pending.

BANK SAFE, D/B/A PRIVACY MANAGEMENT: This case was brought as part of “Operation Tele-PHONEY”, an FTC/multi-state telemarketing fraud sweep. A lawsuit was filed against this Canadian company on May 16, 2008 in Franklin County. The case alleges violations of Ohio’s Consumer Sales Practices Act and Telephone Solicitations Sales Act. Violations include submitting unauthorized charges, failure to maintain a surety bond, failing to register as a telemarketer, and calling telephone numbers that are on the Do-Not-Call registry. The case is pending.

BILL'S ROD AND CUSTOM/WILLIAM METZ: A lawsuit was filed in Clark County on December 1, 2008 against this custom hotrod business. William Metz is the owner of the business. Consumer complaints arose from the sale of car parts and chassis to persons throughout the United States via internet sales. The complaints allege that parts were never delivered and no refunds were received. Violations set out in the Complaint include failure to deliver and conducting business under a trade name without being registered with the Ohio Secretary of State. The case is pending.

CAPITAL PAYMENT SYSTEMS: This case was brought as part of “Operation Tele-PHONEY”, an FTC/multi-state telemarketing fraud sweep. A lawsuit was filed on May 16, 2008 in Franklin County. Banctech Processors, Electronic Check Corporation and company principals were also named as defendants. Capital Payment Systems is located in Texas. The case alleges violations of Ohio’s Consumer Sales Practices Act and Telephone Solicitations Sales Act related to the facilitation of telemarketing fraud by payment processors. The case is pending.

CAR DOOR CONVERSIONS/RAFAEL MELENDEZ: Rafael Melendez sold car door conversion kits to consumers throughout the country via internet sites under the name Car Door Conversions. Some consumers failed to receive their goods, while others received the wrong or poorly constructed products. Consumers paid between \$650 and \$1700 for their goods. A lawsuit was filed in Franklin County on March 17, 2008, seeking consumer restitution and civil penalties for violations of the Consumer Sales Practices Act. The violations included failure to deliver, false or misleading representations, and failure to provide refunds. A default judgment was obtained on October 14, 2008. It included \$14,354.42 in consumer restitution and a \$75,000 civil penalty.

CAREMARK RX, L.L.C.: Caremark was a twenty-eight state and District of Columbia multi-state investigation and settlement. The Complaint was filed in Franklin County on February 14, 2008, with an Agreed Entry and Final Judgment Order entered on February 20, 2008. The Order contains injunctive terms requiring Caremark to make certain disclosures to client plans, plan participants and prescribers relating to its Drug Interchange Programs and Manufacturer Payments, and prohibiting certain business practices including restocking returned drugs. A monetary payment was included in the amount of \$41,000,000 for the multi-state. Ohio’s share of the monetary payment was \$1,441,160.78 (\$300,000.00 for attorneys fees/costs and \$1,141,160.78 for cy pres distribution).

CONCRETE CREW/DENNIS RANKE JR.: Concrete Crew, operated by Dennis Ranke, is a central Ohio business that provides home improvement services, including concrete and general construction services. The defendants accepted deposits for services from consumers, and either provided no services or incomplete and shoddy work. On February 4, 2008, a lawsuit was filed in Franklin County against the Concrete Crew and Dennis Ranke, alleging violations of the Consumer Sales Practices Act. The case is pending.

CREDIT PHYSICIAN/MIKE MALLOY: Mike Malloy operated a business via the internet under the name of the Credit Physician. For a fee, the company claimed that it could improve credit scores and protect against identity theft. Consumers filed complaints alleging that they paid money to Mr. Malloy and that he failed to take any steps toward improving their credit score and refused to reimburse their money. A lawsuit was filed in Montgomery County on October 22, 2008 for violations of the Consumer Sales Practices Act and the Credit Services Organization Act. The case is pending.

DISCOUNT GLOBAL TRAVEL: A lawsuit was filed in Cuyahoga County on June 27, 2008 for violations of Ohio's Consumer Sales Practices Act. Also named in the pleadings were Fair Finance Company, Duvera Acceptance One, LLC, and Duvera Acceptance Two, LLC. The company, located in Michigan, operates a discount travel service that took thousands of dollars from Ohio consumers for worthless travel memberships. Consumers were enticed into buying memberships through misleading promises that they would receive substantial discounts when they traveled. After the fee was paid, the business failed to respond to consumers or assist with any travel arrangements. The lawsuit seeks injunctive relief, consumer restitution and civil penalties. The case is pending.

DISCOVER FINANCIAL SERVICES: This credit card solicitation lawsuit was filed in Franklin County on October 1, 2008. Christopher Lawson was named as an individual defendant. The Attorney General, with attorneys and law students from The Ohio State University Moritz College of Law, filed the Complaint regarding credit card solicitations aimed at students. The Complaint alleges that flyers posted on campus advertising free food failed to disclose that students would have to apply for credit cards in order to receive the free items. The case is pending.

DWELLING ASSURANCE, INC./NANCY SCHMIDT: This case involves a foreclosure rescue scam operated by an Ohio business. A lawsuit was filed in Wood County on October 14, 2008, alleging violations of the Ohio Consumer Sales Practices Act, the Credit Services Organization Act, the Debt Adjusters Act, and the Home Solicitation Sales Act. Nancy Schmidt was named as an individual defendant. The lawsuit arose when consumers complained that the business led them to believe that it could help save their homes. In reality, the defendants took the homeowners' money up front and failed to perform any services to stop the foreclosures. The lawsuit seeks injunctive relief, consumer restitution and civil penalties. The case is pending.

EAT MY RIBS: A lawsuit was filed in Franklin County on March 18, 2008. The Complaint was filed against Syndrea Whetsel Shy, Donald Brandon Shy, III, Eat My Ribs / Classic Event Catering, Southern Comfort Catering & Weddings and Events by Syndrea. The defendants operated a catering and wedding planning business. The Complaint alleged that the defendants made various misrepresentations to consumers regarding the quality of goods and services contracted for, failed to deliver the catering services, provided inadequate customer service, performed catering services without the appropriate licenses, and continued to engage in consumer transactions while several judgments against the defendants remained unpaid. A temporary restraining order was obtained. The lawsuit was settled through a Consent Judgment on May 12, 2008. It ordered the defendants to shut down their catering business. They were assessed \$100,000 in civil penalties and \$50,000 in costs, with both suspended on the condition of full compliance with the Consent Judgment. Defendants were further ordered to make payments toward consumer restitution in the amount of \$14,805. An August 4, 2008 agreed entry to modify the Consent Judgment increased the consumer restitution to \$32,669.51.

ELI LILLY AND COMPANY (ZYPREXA): The case was a thirty state and District of Columbia multi-state investigation and settlement. Ohio served on the Executive Committee of the pharmaceutical investigation. A lawsuit was filed in Franklin County on October 7, 2008. An Agreed Entry and Final Judgment Order followed on October 17, 2008. The Order provided for comprehensive injunctive relief that addressed all concerns identified in the investigation related to the deceptive, false and misleading promotion and marketing of Zyprexa. Specifically, it addressed promotion for off-label uses, promoting Zyprexa by highlighting selected symptoms instead of diagnoses, communications regarding off-label uses of Zyprexa, and deceptive dissemination of medical letters and references. It also covered the misuse of grants and Continuing Medical Education to market Zyprexa, and the use of false and misleading disclosure of scientific data in promotional materials. The multi-state received a monetary payment of \$62,000,000. Ohio's share of the monetary payment was \$2,825,265 for attorney's fees and costs.

GABBARD CARS/MAX GABBARD, JR./MAX GABBARD III: A lawsuit was filed on April 30, 2008 in Medina County for violations of the Title Defect Recision Act and the Consumer Sales Practices Act. The defendants operated a used car dealership that sold several cars without delivering titles to the purchasers. Consumers were able to receive refunds for their purchases through the Title Defect Recision Fund. The dealership is no longer in business. The case is pending.

GLOBAL SERVICES OF OHIO, INC./MARIO W. WATKINS: This lawsuit was filed in Franklin County on November 17, 2008. It alleges violations of the Consumer Sales Practices Act and the Debt Adjuster's Act. Mario Watkins is a Columbus resident who is the sole operator of the business. Mr. Watkins does direct mailings under the name of "Foreclosure Mediation Services", targeting individuals in foreclosure. The representations made in direct mail solicitations are in violation of the Consumer Sales Practices Act. The negotiation services are not in compliance with the Debt Adjuster's Act. The cost of the negotiations service can be as high as \$3,500. The case is pending.

GUTTER CHAMP: The supplier operates a gutter installation and repair business in Ohio. After receiving consumer complaints alleging shoddy installations, late starts and financing issues, a lawsuit was filed on May 29, 2008 in Franklin County. It seeks injunctive relief, consumer restitution and civil penalties. The individual owners of the business were also named as defendants. Specific violations of Ohio's Consumer Sales Practices Act included accepting large down payments and failing to do any work or performing in a substandard manner. Some of the consumer complaints also allege misrepresentation of financial terms. The case is pending.

HIGHLAND BANC: A lawsuit was filed in Franklin County on August 7, 2008. The case asserts violations of the Ohio Homebuyers Protection Act, the Ohio Mortgage Broker Act and the Truth in Lending Act. Specifically, it is alleged that Highland Banc committed unfair, deceptive and unconscionable acts and practices by failing to disclose fees and entering into transactions with persons who did not have the ability to meet the financial obligations of the transactions. The case is pending.

INDOOR ENVIRONMENTAL AIR CONSULTING, D/B/A BUCKEYE AIR CARE: Buckeye Air Care, owned and operated by Toby Tobin, was a heating and air conditioning ventilation cleaning service. The business advertised through coupons in several areas in Ohio, offering to do certain work at a price between \$49.99 and \$89.99. Buckeye Air Care would go to consumers homes and proceed to begin performing unauthorized work. A lawsuit was filed in Franklin County against Mr. Tobin and Buckeye Air Care on March 17, 2008. The complaint alleged bait advertising, price comparison violations, repairs and services violations, false or misleading representations, shoddy workmanship and violations of the Home Sales Solicitation Act. The Attorney General obtained a default judgment against the defendants on October 23, 2008. It included injunctive relief, \$15,295 in consumer restitution, and a \$150,000 civil penalty.

INNER HEALTH CHIROPRACTIC, INC.: The business is an Ohio corporation that offers chiropractic, wellness, and rehabilitation services. Inner Health Chiropractic solicits some of its new business by contacting consumers directly at their home telephone numbers or cellular telephone numbers listed on police reports of traffic accidents. Some of the telephone numbers have been placed on the National Do-Not-Call Registry. A lawsuit was filed in Franklin County on May 9, 2008. It alleged violation of Ohio's Do-Not-Call Law and the Consumer Sales Practices Act. The case is pending.

JK HARRIS AND COMPANY L.L.C.: The case was an eighteen state multi-state investigation and settlement. Ohio served on the Executive Committee of the investigation. A lawsuit was filed in Franklin County on June 12, 2008, with an Agreed Entry and Final Judgment Order entered on June 20, 2008. The Order provided for prohibitions of the illegal and fraudulent conduct revealed through the investigation. It required the company to adopt policies and procedures that will protect consumers who seek tax or non-tax debt resolution and negotiation services. It also required JK Harris to include a warning in all of its contracts stating that respondents cannot represent the consumer in legal proceedings, and to conduct periodic undercover interviews of their consultants and sales representatives to ensure compliance with the terms of the Judgment. A monetary payment in the amount of \$1,800,000 was included, with \$1,500,000 to be distributed as restitution to consumers and \$300,000 to the states for attorney's fees and costs. Ohio's share of the payment for costs and fees was \$10,000.

MAGELLAN MORTGAGE CORPORATION: A lawsuit was filed in Franklin County on August 7, 2008. The case asserts violations of the Ohio Homebuyers Protection Act, the Ohio Mortgage Broker Act and the Truth in Lending Act. Specifically, it is alleged that Magellan, an Ohio company, committed unfair, deceptive and unconscionable acts and practices by failing to disclose fees and entering into transactions with persons who did not have the ability to meet the financial obligations of the transaction. The case is pending.

MATTEL, INC.: This case involved a thirty-nine state multi-state investigation and settlement. Ohio served on the Executive Committee of the multi-state. The Complaint was filed on December 15, 2008. An Agreed Entry and Final Judgment Order was submitted to the Court for approval when the Complaint was filed. The Order provided for injunctive relief that addressed state consumer protection concerns regarding Mattel and its sale and distribution of Chinese-made products that contained excessive amounts of lead. Mattel was required to accelerate its implementation of more stringent lead standards and keep better manufacturing records. The Order included a monetary payment of \$12,000,000 to the multi-state. Ohio's share of this payment was \$533,212 for attorney fees and costs.

MCCUNE CYCLE WORLD: The business, located in Mansfield, has been routinely charging consumers freight and/or dealer charges in addition to the advertised Manufacturer's Suggested Retail Price for All Terrain Vehicles and motorcycles. The charges range from \$25 to more than \$250. On April 8, 2008, a lawsuit was filed in Richland County alleging violations of the Consumer Sales Practices Act, including failure to include freight charges in advertised prices, failing to make vehicles available at advertised prices, failing to clearly and conspicuously disclose all material terms and conditions on a purchase, assessing unnecessary charges to consumers, and failing to provide the consumers with an itemized list of the services provided. The case is pending.

MERCK & CO., INC. (VIOXX): This was a thirty state and District of Columbia multi-state investigation and settlement. Ohio served on the Executive Committee of the multi-state pharmaceutical investigation. A lawsuit was filed in Franklin County on May 20, 2008. An Agreed Entry and Final Judgment Order was entered on May 28, 2008. The Order provided for comprehensive injunctive relief that addressed all concerns identified in the investigation, including deceptive direct to consumer advertising, deceptive use of scientific data when marketing to doctors, “ghost writing” of articles and studies, misuse of Continuing Medical Education, and conflicts of interest in Merck sponsored Data Safety Monitoring Boards. The settlement included a monetary payment that totaled \$58,000,000 for the multi-state. Ohio’s share of the payment was \$2,844,980.70 for attorney’s fees and costs.

NAL GROUP, INC.: The case involved the failure to deliver numerous motor vehicle titles to purchasers. A lawsuit was filed on June 10, 2008 in Franklin County alleging violations of Ohio’s Title Defect Rescission Act and Consumer Sales Practices Act. The motor vehicle dealer did not possess the titles at the time the sales were made. Various creditors were also named as defendants in an attempt to ensure that titles could be delivered to the purchasers. The litigation is pending, but many of the titles have already been recovered and transferred to the purchasers.

NATIONWIDE POLE BARN/JAMES WASHINGTON: Nation Wide Pole Barns, Inc., owned and operated by James Washington, sells pole barns over the internet and through trade magazines. Consumer complaints were received by the Attorney General alleging failure to deliver the goods or continual delays to the deliver dates. A lawsuit was filed in Montgomery County on March 17, 2008, seeking consumer restitution and civil penalties for violations of the Consumer Sales Practices Act. Violations include failure to deliver and false or misleading representations. The case is pending.

NATIONAL BULLET/KENNETH BAYKO: The case involves the failure to deliver ammunition products ordered over the internet. Numerous consumer complaints have been received against this Ohio business from persons located in state and throughout the country claiming that products were purchased, never delivered, and refunds not made. A lawsuit was filed in Lake County on June 4, 2008, alleging failure to deliver in violation of the Consumer Sales Practices Act. It seeks injunctive relief, consumer restitution, and civil penalties. The owner of the business, Kenneth Bayko, was named as an individual defendant. The case is pending.

NATIONWIDE BIWEEKLY ADMINISTRATION: The supplier, an Ohio company, advertised its mortgage reduction services in a misleading and deceptive manner. The Ohio Attorney General had previously entered into a 2005 Assurance of Voluntary in an attempt to address similar violations. After continuing to receive consumer complaints, a lawsuit was filed in Greene County on June 9, 2008 in order to bring an end to the deceptive advertising. It alleged violations of the Consumer Sales Practices Act, the Telephone Solicitation Sales Act, and the Home Solicitation Sales Act. The lawsuit seeks injunctive relief, consumer restitution and civil penalties. The case is pending.

OHIO HOMEOWNER'S REHAB: This lawsuit was filed in Franklin County on February 4, 2008, against Ohio Homeowner's Rehab, LLC and an unregistered company OHC, LLC. Consumers were solicited to have home improvement work done on their homes and took out mortgages in amounts between \$5,000 and \$60,000 to have the repairs done. In some circumstances, the home improvements were performed in a shoddy and unworkmanlike manner. In others, the home improvements were never performed. The business misrepresented to consumers that they may be eligible for government grants to fund the projects. It routinely targeted elderly and impoverished consumers. The Attorney General Complaint alleged over fifteen violations of the Consumer Sales Practices Act and Home Sales Solicitations Act. On October 23, 2008, a Default Judgment against Ohio Homeowners Rehab was obtained, requiring that it pay \$213,378.58 in consumer restitution, \$375,000 in civil penalties, and \$9,900 in investigatory costs.

PFIZER INC.: This case was a thirty-three state and District of Columbia multi-state investigation and settlement. Ohio served on the Executive Committee of the pharmaceutical investigation. A lawsuit was filed in Franklin County on October 22, 2008. An Agreed Entry and Final Judgment Order followed on October 28, 2008. The Order provided for comprehensive injunctive relief that addressed off-label promotion, deceptive direct to consumer advertising, and deceptive use of scientific studies. It also covered "ghost writing" of articles, the misuse of Continuing Medical Education, the misuse of payments and gifts to doctors, and the failure to adequately disclose risks to participants in clinical trials. The Order included a monetary payment of \$60,000,000 for the multi-state. Ohio's share of the payment was \$2,906,587 for attorney's fees and costs.

PLATINUM KEY/SIMPLISTIC ADVERTISING, INC.: This case was brought as part of "Operation Tele-PHONEY", an FTC/multi-state telemarketing fraud sweep. A lawsuit was filed on May 16, 2008 in Franklin County. Jeremy Weisz was named as an individual defendant. All defendants are located in Canada. The case alleges violations of Ohio's Consumer Sales Practices Act and Telephone Solicitations Sales Act. Specific violations include failure to register as a telemarketer, failure to maintain a surety bond, unauthorized charges, and failure to deliver grants promised to consumers. The case is pending.

POOL MAGIC/EDWARD DANCZAK: The investigation was initially opened in response to a consumer complaint regarding the installation of an in ground pool for a purchase price of \$26,400. Pool Magic abandoned the job, leaving the consumers with a hole in their backyard, damage to their property and none of the supplies for which they had already paid. A lawsuit was filed in Summit County on June 19, 2008 alleging violations of Ohio's Consumer Sales Practices Act. It sought injunctive relief, consumer restitution and civil penalties. The owner of the business, Edward Danczak, was named as an individual defendant. A default judgment has been obtained. A damages hearing will be held.

USA DIRECT, INC./USA DIRECT OF CINCINNATI, INC.: The defendants sell memberships into a buying club for an initial start up fee of \$1999, plus an annual renewal fee of \$199.00. Consumer complaints were received alleging high pressure sales and various misrepresentations of the benefits of the buying club. A lawsuit was filed in Hamilton County on August 15, 2008, alleging multiple violations of the Consumer Sales Practices Act. Specific misrepresentations involved prize awards and potential member savings. The lawsuit seeks injunctive relief, consumer restitution and civil penalties. The case is pending.

OTHER JUDGMENTS

ACE MORTGAGE FUNDING: A lawsuit was filed against this business in Hamilton County on June 7, 2007. The complaint alleged that Ace Mortgage Funding used undue influence on appraisers in regard to home mortgages, violating the Ohio Consumer Sales Practices Act and Mortgage Broker Act. The litigation was resolved on September 23, 2008 with an Agreed Entry and Order. It included a \$50,000 civil penalty with \$25,000 suspended on the condition that Ace Mortgage Funding complies with all terms of the Order. It also included \$5000 in attorney fees and costs.

AMERICAN HOUSING FINANCIAL/AMERICAN HOUSING AUTHORITY: A lawsuit was filed in this matter in Lucas County on August 8, 2007. The case was part of a foreclosure rescue scam sweep. These affiliated companies solicited foreclosure assistance services to consumers across the country, but did little, if any, real work. It was resolved through a Consent Judgment entered on June 6, 2008. It included declaratory and injunctive relief, a civil penalty of \$50,000 with \$30,000 suspended upon compliance with the terms of the Consent Judgment, \$5,000 in investigative costs, \$6,357 in consumer restitution, and \$20,000 in additional consumer restitution for yet undiscovered consumer complainants.

AMERIFIRST MORTGAGE: A lawsuit was filed in Franklin County on December 14, 2007. The case was part of a sweep targeting businesses that use undue influence on appraisers. AmeriFirst Mortgage attempted to improperly influence the outcome of the appraisal instead of allowing the appraiser to complete an independent appraisal of the property. The litigation was resolved when the parties entered into an Agreed Final Entry and Order on December 8, 2008. It included injunctive and declaratory relief, plus a \$15,000 civil penalty with \$10,000 suspended on the condition that Amerifirst Mortgage complies with the terms of the Order.

ANTHONY'S CONCRETE AND MASONRY: The case involved a central Ohio business that solicited consumers for various concrete related home improvements. On September 20, 2007, in response to consumer complaints, the Attorney General filed a lawsuit in Franklin County against Anthony Villella, individually and d/b/a Anthony's Concrete and Masonry. The Complaint alleged that the defendant made false and misleading statements, failed to deliver refunds, failed to perform work in a competent manner, failed to provide substantial benefits, and failed to register a fictitious business name with the Ohio Secretary of State. On March 17, 2008, the Attorney General obtained a Default Judgment against Anthony Villella requiring that he pay \$20,776 in consumer restitution, \$150,000 in civil penalties, and \$3,290 in investigatory costs.

BEAUTIFUL MEMORIES MONUMENTS/ KENNETH HOBBS II AND VICKIE HOBBS: Kenneth and Vickie Hobbs were in the business of selling tombstones under the name of Beautiful Memories Monuments. A lawsuit was filed in Meigs County on December 12, 2007, due to their acceptance of payments from consumers and their failure to deliver the products. On April 28, 2008 and June 18, 2008 respectively, Vickie and Kenneth Hobbs signed identical consent judgments admitting liability and agreeing to pay consumer restitution. On August 29, 2008, their consent judgments were amended to include consumers who had come forward after the original consent judgments were filed, resulting in an Amended Judgment Entry and Order. They were jointly and severally ordered to pay consumer restitution in the amount of \$28,577.45, and \$25,000 in civil penalties with \$20,000 suspended on the condition that they not violate the terms of the judgment.

BLUEGRASS MORTGAGE SERVICE, D/B/A NATIONAL MORTGAGE FUNDING: A lawsuit was filed in Montgomery County on December 13, 2007. The case was part of a sweep targeting deceptive advertising related to consumers' mortgages. The company sent out direct mail solicitations causing consumers to believe they were "specially selected" for loan products and other programs. The mailings were sent in "official" looking envelopes appearing to be from a government agency or the consumers' current lenders. The case was resolved through a Consent Judgment on March 17, 2008. It included injunctive and declaratory relief, a \$25,000 civil penalty with \$15,000 suspended on the condition that defendant comply with the terms of the Consent Judgment, and \$5,000 in attorney fees and costs.

CAMPUS DIMENSIONS: Campus Dimensions was one of the defendants sued in September of 2007 as part of the La Bamba lawsuit alleging deceptive credit card marketing tactics in violation of the Consumer Sales Practices Act. Campus Dimensions is the name of the marketing company in charge of the credit card promotional event where fliers were used on the Ohio State University campus to entice students to go to La Bamba restaurant for “free” food. When students arrived at the restaurant, they had to fill out credit card applications before receiving the food. On November 17, 2008, a Consent Judgment was filed in the Franklin County Court of Common Pleas. Campus Dimensions was ordered to pay a \$25,000 civil penalty, with \$20,000 of the penalty suspended by the Court. The business agreed to pay the Attorney General’s office a disgorgement of their profits in the amount of \$2,000.

COURTS ONLINE: The Attorney General filed a lawsuit against Mark Musselman and Diana Musselman, individually and d/b/a Courts Online in Miami County on March 23, 2007. The Complaint alleged failure to deliver, misrepresentation of goods or services sold, failure to receive substantial benefit, failure to register a fictitious business name, patterns of inefficiency and evading legal obligations, deceptive terms, and failure to clearly and conspicuously disclose terms. The internet business sold one year memberships for access to criminal checks, background checks, and other personal information searches. Consumers did not get access to public records and other information promised in solicitations. A default judgment was obtained against Mark Musselman in 2007. A Consent Judgment with Diana Musselman was filed on February 21, 2008, requiring that she pay \$813.04 in consumer restitution and a \$25,000 civil penalty, with \$15,000 suspended.

DEBT FREEDOM FOUNDATION/ROBERT E. HAINES: This credit repair lawsuit was filed in Franklin County on July 11, 2006. It alleged violations of the Consumer Sales Practices Act and Credit Services Organization Act. The case was resolved through a Consent Judgment entered on May 1, 2008. It included injunctive and declaratory relief, \$28,400 in consumer restitution, and a \$75,000 civil penalty with \$70,000 suspended on the condition that the defendant not violate the terms of the Consent Judgment.

FORECLOSURE ASSISTANCE SOLUTIONS: This judgment arose from a lawsuit filed in Delaware County on August 8, 2007. The company operated a foreclosure rescue scam in violation of the Consumer Sales Practices Act, the Telephone Sales Solicitation Act, and the Debt Adjuster Act. A Consent Judgment was filed on September 9, 2008. It included \$100,000 in consumer restitution and a \$50,000 civil penalty with \$40,000 suspended on the condition that Foreclosure Assistance Solutions comply with the terms of the Consent Judgment.

THE GIFT ASSISTANT: The supplier was an online business that sold personalized gift cards. Purchasers could load money onto the cards via the company website before or after they gave the cards as gifts. Gift Assistant was owned by John Gerlach and Thomas Candelaresi. On November 16, 2006, the Attorney General filed a lawsuit against Gift Assistant, Mr. Gerlach and Mr. Candelaresi. The Complaint alleged failure to deliver the cards or issue refunds. On March 23, 2007, a Default Judgment was obtained against Defendant Gerlach, requiring that he pay \$6,748.45 in consumer restitution, \$100,000 in civil penalties, and \$4590 in investigatory costs. A Consent Judgment with Defendant Candelaresi and the Gift Assistant was entered on August 14, 2008, requiring that they pay \$28,834.12 into a restitution pool for distribution to consumers, \$75,000 in civil penalties with \$70,000 suspended and \$5000 in investigatory costs.

GLOBAL PERSONNEL: This job listings case was filed in Franklin County on November 8, 2007. The lawsuit alleged unfair, deceptive, and unconscionable business practices in the solicitation of employment related services. The defendant placed help wanted ads in local newspapers. When consumers responded to the ads, they were told to appear for an interview. Instead of finding jobs, they were sold a membership which would supposedly get them access to exclusive job listings and interviews. The exclusive job listings turned out to be help wanted ads that were cut out of newspapers and placed into a binder. A Consent Judgment was entered on April 30, 2008 preventing the defendant from doing business in Ohio and requiring consumer restitution of \$20,718.87, \$20,000 in civil penalties, and \$5,000 in investigative costs.

HARV'S CARS: The case involved a now out of business auto dealer and its violations of the Title Defect Recision Act (TDR). Harv's Cars was an incorporated business operated by Buddy Harvey. Numerous consumer complaints were received alleging that titles were never received for motor vehicles purchased from this dealer. Claims paid by the TDR Fund exceeded \$38,000. On August 6, 2007, a lawsuit was filed in Mahoning County against Harv's Cars and Buddy Harvey. It alleged failure to obtain certificates of title, failure to deliver certificates of title, false and misleading sales presentations, and warranty violations. On September 30, 2008, the Attorney General obtained a Default Judgment against Harv's Cars and Buddy Harvey, requiring that they pay \$97,619.84 in consumer restitution, \$39,643.78 in restitution to the TDR Fund, \$150,000 in civil penalties, and \$5,760 in investigatory costs.

HOG FARM: This supplier was an Ohio corporation engaged in the business of selling self-assembly motorcycle kits. Richard Doyle was an officer of The Hog Farm, Inc. ("Hog Farm"). Approximately ten consumers have filed complaints against the business. They paid from \$12,999 - \$19,250 for their motorcycle kits, by wire transfer or in cash, but never received the orders or refunds. A lawsuit was filed in Brown County on January 7, 2007, against The Hog Farm and Richard Doyle. Counts included failure to deliver, false and misleading sales representations, and failure to provide substantial benefit. A Consent Judgment with The Hog Farm and Richard Doyle was filed on November 25, 2008, requiring that The Hog Farm pay \$155,242 in consumer restitution. A \$25,000 civil penalty was suspended.

HOME RESTORATION SERVICES/CARL LAVENSKY: This case involved a foreclosure rescue scam. A lawsuit was filed in Cuyahoga County on August 8, 2007. The case was resolved through a Judgment Entry and Order on October 1, 2008. The judgment against the business entity and Carl Lavensky included \$3,870 in consumer restitution, and a \$25,000 civil penalty which will be waived upon payment of full consumer restitution.

HOTTIE BODY TANNING/CHARLES AND ELIZABETH WHITE: A lawsuit was filed in Franklin County on June 25, 2007 against this tanning salon and its principals for violations of the Consumer Sales Practices Act. The business ceased operation and failed to provide refunds to consumers who had prepaid for its services. A default judgment against the defendants was obtained on January 14, 2008. The judgment included a permanent injunction, consumer restitution in the amount of \$7488.85, and a \$75,000 civil penalty.

ISLAND FINANCIAL: A lawsuit was filed against this business in Franklin County on June 7, 2007. The case resulted from Island Financial's undue influence of an appraiser. The litigation was resolved through a Consent Judgment filed on July 8, 2008. It included declaratory and injunctive relief, a civil penalty of \$25,000 with \$15,000 suspended upon compliance with the terms of the Consent Judgment, and \$2,500 in fees and costs.

INTEREST REDUCTION CENTER, INC./EFFICIENT PAYMENT GROUP, INC./AVALON FINANCIAL CORP.: This judgment arose from litigation resulting from the defendants' advertising violations. Interest Reduction Center and Efficient Payment Group were generating leads for a biweekly mortgage payment program provided by Avalon Financial Corp. The mailings contained the abbreviated names of consumers' lenders and appeared to be from those financial institutions. Interest Reduction Center and Efficient Payment Group are no longer in business. The case was resolved on September 30, 2008 through an Agreed Entry and Order. It included declaratory and injunctive provisions. Due to the financial condition of the defendants and the lack of consumer damages, the \$25,000 civil penalty was suspended upon compliance with the terms of the Order, and Avalon Financial Corp. paid \$2000 in attorneys' fees and costs.

JAS PLANNING, INC. D/B/A AMERICAN GRANTS: This judgment was the result of a lawsuit filed in Cuyahoga County on April 19, 2006. The business was a New York telemarketing operation. The company failed to register as a telemarketer, did not maintain the required surety bond, and contacted persons who had placed their telephone numbers on the National Do-Not-Call Registry. Defendant represented that the contacted consumers had been "selected" or guaranteed a government grant in the amount of \$5,000, but had to pay a processing fee of \$249 in order to receive the grant money. In reality, the consumers only received a guidebook to learn how to apply for grants. The litigation was concluded when the court entered a Default Judgment in favor of the Attorney General on February 1, 2008. It included an injunction, \$747 in consumer restitution, and a \$50,000 civil penalty.

NEW CENTURY FINANCIAL CORP./NEW CENTURY MORTGAGE

CORP.: A lawsuit was filed in Cuyahoga County on March 14, 2007 due to concerns that defendants' precarious financial position was jeopardizing the ability of Ohio consumers to obtain financing of residential mortgage loans and to avoid foreclosure on existing mortgages. A bankruptcy filing occurred during the course of the litigation. Through an Agreed Entry & Order filed on November 24, 2008 in state court, all allegations of loan origination misconduct were resolved. Shortly after the lawsuit was filed, the Court issued a Stipulated Preliminary Injunction that acted as a moratorium on New Century foreclosures in Ohio while permitting the Attorney General's office an opportunity to review the underlying loans for evidence of predatory loan terms. As a result of the review process, conducted in conjunction with the Ohio Division of Financial Institutions, 109 borrowers were determined to be eligible for loan modification discussions with the current holder of their loans via the Attorney General's office. Of the thirty-three loan modifications completed to date, over a quarter million dollars in principal has been forgiven, over \$90,000 in fees and costs have been waived, all adjustable rate loans were converted to fixed rate loans, and in many cases the mortgage interest rate was significantly reduced, in some instances by up to six percentage points. The Agreed Entry and Order also prohibits New Century and its subsidiaries from doing any of the following: accepting mortgage loan applications in Ohio; initiating new foreclosure actions; pursuing pending foreclosures; enforcing foreclosure sale notices; evicting consumers from houses in foreclosure; or, transferring, selling or assigning rights to any Ohio loans absent prior approval of the bankruptcy court.

PINNIX BUSINESS SERVICES/RICHARD PINNIX: This judgment arose from a lawsuit filed in Franklin County on August 8, 2007. Richard Pinnix operated a foreclosure rescue scam under the name Pinnix Business Services. The Attorney General obtained a summary judgment, with a Decision and Final Entry entered on October 30, 2008. The Court found Pinnix in violation of the Consumer Sales Practices Act, the Telephone Sales Solicitation Act, and the Debt Adjuster Act. The entry included a permanent injunction, \$3081.90 in consumer restitution, a \$150,000 civil penalty, and \$1,896.95 in investigatory costs.

PREMIERE SERVICE MORTGAGE: A lawsuit was filed in Butler County on June 7, 2007. The Complaint alleged that the business used undue influence on appraisers in regard to home mortgages, violating the Ohio Consumer Sales Practices Act and Mortgage Broker Act. The litigation was resolved on April 30, 2008 with an Agreed Entry and Order. It assessed a \$25,000 civil penalty with \$20,000 suspended on the condition that Premiere Service Mortgage complies with all terms of the Order. It also included \$1,500 in attorney fees and costs.

SENATE BANC, INC.: This judgment resulted from a lawsuit filed in Stark County on December 13, 2007. Senate Banc was formerly known as AAA Banc Group. The case involved advertising violations in the company's direct mail solicitations. Among other things, the business misrepresented consumers' eligibility for specific loan products, misrepresented its affiliation with various entities, and failed to clearly and conspicuously disclose material terms and conditions. The case was resolved through a Consent Judgment on May 15, 2008. It included declaratory and injunctive relief, a civil penalty of \$25,000 with \$20,000 suspended upon compliance with the terms of the Consent Judgment, and \$1000 in fees and costs.

STEM TO STERN BOAT WORKS: This failure to deliver case was filed in Geauga County on November 1, 2007. The lawsuit alleged unfair, deceptive, and unconscionable acts and practices against the defendant, a seller of marine related goods via the internet. Consumers placed orders, but never received their goods, or received goods which were different than what they ordered. The defendant failed to issue a refund or satisfactory exchange. On July 29, 2008, a default judgment was granted ordering defendant to pay \$5,496.20 in restitution and \$75,000 in civil penalties.

USA BABY/MIDWEST BABY GROUP: This matter was initiated with a lawsuit filed in Lucas County on December 11, 2006. The failure to deliver case was resolved through a Consent Judgment entered on November 14, 2008. It required the owners of USA Baby/Midwest Baby Group, Scott Wallis and Ronald Eriksen, to reimburse consumers in the amount of \$42,000. They were enjoined from operating in the State of Ohio until the consumer restitution has been fully satisfied.

ASSURANCES OF VOLUNTARY COMPLIANCE

DIRECTBUY, INC./DIRECTBUY OHIO FRANCHISEES: DirectBuy, Inc. is an Indiana corporation with five Ohio franchisees engaged in the buying club industry. They offer consumers the ability to enroll in a buyer's club for a fee between \$3000.00 and \$4500, claiming the consumers will realize great savings on a wide variety of consumer goods. Consumer complaints alleged that they did not come close to realizing the savings they expected and that their product purchase savings did not cover their membership fee. The businesses agreed to an Assurance of Voluntary compliance with the Attorney General on February 11, 2008. It required DirectBuy to provide all potential members the opportunity to view sales catalogs prior to signing a contract, to make its "Membership Guidelines" available for review, to clearly and conspicuously disclose its policies regarding returns, shipping and handling fees and delivery times, and to include a three-day right of rescission in its contracts. In addition, DirectBuy agreed to pay \$10,000 in costs, and \$20,000 in civil penalties with \$10,000 suspended upon full compliance with the terms of the Assurance of Voluntary Compliance.

EDUCATIONAL RESEARCH CENTER OF AMERICA (ERCA): This matter was a thirty-six state and District of Columbia multi-state investigation and settlement. An Assurance of Voluntary Compliance was announced on October 30, 2008. It prevented the business from offering anything of value to educators in connection with the solicitation of educators relating to ERCA's student surveys. It also required disclosures in all documents through which it collects data from students, of the existence and nature of the purpose for collecting the information and the types of categories of any entities to which the information will be disclosed. Additionally, requirements are placed on ERCA if it uses or permits others to use survey data for non-educational related marketing purposes. ERCA paid \$200,000 to the multi-state for attorney's fees and costs. Ohio's share of the payment to the states was \$7,000.

EXPRESS SCRIPTS, INC.: The investigation was a thirty-one state and District of Columbia multi-state investigation and settlement. Ohio did not serve on the Executive Committee of the multi-state, but provided additional investigative support. The Assurance of Voluntary Compliance was announced on May 27, 2008. It contained restrictions that prohibited Express Scripts from switching consumers to drugs which cost more than their current drugs, switching consumers from drugs with generic competition to drugs without, and switching consumers from drugs which are about to go off patent. It also addressed switching if only minimal cost savings are achieved, and switching the same patient twice in a two-year period for the same interchange. The Assurance of Voluntary Compliance included a monetary payment of \$9,000,000 for the multi-state. Ohio's share of the payment was \$410,729.06, with \$65,000.00 for attorney's fees and costs and \$345,729.06 for cy pres distribution.

GRANT-A-WISH: This supplier offered a grant writing service by advertising that it could obtain "Free Money" from the government for consumers. The business guaranteed that it could get grants, but did not obtain a single grant for any consumer. On November 2004, Grant-A-Wish agreed to an Assurance of Voluntary Compliance with the Attorney General. The agreement included restitution in the amount of \$5,425 for sixteen consumers.

HILLSBORO-FORD MERCURY SALES, INC.: An Assurance of Voluntary Compliance was agreed to in this matter on February 5, 2008. The case involved violations of Ohio's advertising laws, specifically the Advertisement and Sale of Motor Vehicles Rule, Prize Rule, and Direct Solicitations Rule. Pursuant to the terms of the Assurance of Voluntary Compliance, Hillsboro Ford will refrain from violating Ohio's consumer protection laws. In addition, Hillsboro Ford paid \$2,800 in consumer restitution and paid \$2,500 to the Consumer Protection Enforcement Fund, with an additional \$5,000 suspended upon full compliance with the terms of the Assurance of Voluntary Compliance.

IFC-NORVERGENCE: This matter was a thirty-six state and District of Columbia multi-state investigation and settlement. An Assurance of Voluntary Compliance was entered on October 31, 2008. It provided for the ability of certain small businesses to have IFC, the credit company that was holding leases small businesses signed, to forgive up to 84% of the lease obligations. The leases were to be forgiven because the original lessor perpetrated a fraud on the businesses by leasing them a bogus telecommunications product. The small businesses will be contacted by the lessor and will not be obligated to accept the terms of the settlement offer.

MONEYGRAM INTERNATIONAL: This case was a forty-five state and District of Columbia multi-state investigation and settlement. Ohio served on the Executive Committee of the multi-state. An Assurance of Voluntary Compliance was announced on July 2, 2008. It required MoneyGram to redesign their send forms to provide a clearer warning about certain dangers of using money transfers. MoneyGram is to provide better training to staff and provide more warnings to staff about identifying fraudulent transfer situations. They are to restrict payment pick-ups to the country of intended delivery and establish a refund program for those who stop payments before they are picked up on the receiving end. MoneyGram agreed to pay \$1,250,000 with \$1.1 Million going towards an educational program being run by AARP and \$150,000 to the Executive Committee states. Ohio's share of the payment was \$14,000.

POTBELLY SANDWICH WORKS, LLC: Potbelly Sandwich Works was one of the defendants sued in September of 2007 as part of the Citibank lawsuit alleging deceptive credit card marketing tactics in violation of the Consumer Sales Practices Act. Fliers advertising "free sandwiches" were displayed on the Ohio State University campus. When students arrived at Potbelly for their "free" sandwiches, they were first required to fill out a credit card application. On March 7, 2008, Potbelly signed an Assurance of Voluntary Compliance agreeing to conduct their business in compliance with Ohio's consumer laws, and the Attorney General agreed to dismiss the lawsuit against Potbelly. Also announced as part of the settlement was Potbelly's collaboration with the Attorney General to bring the movie "Maxed Out" to several college campuses, and its donation of 1600 sandwich vouchers to attract students to the movies.

TRIM MASTERS, INC. D/B/A FREE SPRAY LAWN CARE: Free Spray Lawn Care offers lawn maintenance and services in Mansfield. It is incorporated under the name Trim Masters, Inc. Consumer complaints against the business alleged that consumers were led to believe that they were only getting an estimate, but monthly services began, and they were unable to stop the applications and subsequent billings. Consumers who refused to pay, claiming that they did not purchase or had cancelled services, continue to be billed by the company. Consumers were threatened with additional monthly services fees and collections. The Attorney General entered into an Assurance of Voluntary Compliance with the company on October 7, 2008. It required that Trim Masters make changes to their market-

ing, advertising, and business procedures. Consumer complaints were resolved and Trim Masters agreed to pay a civil penalty of \$5000, with \$4000 of the penalty suspended on the condition that terms of the agreement are honored.

UNLIMITED HEALTHCARE SERVICES: This supplier is a medical billing company that solicited consumers via classified advertisements to work from home processing medical claims. There was an upfront training fee of \$195. The consumers were promised that once they completed training, they would be paid \$1.00 for every claim they processed. However, after the consumers had paid the fee and received training, the supplier decided to terminate the program. Consumers filed complaints seeking refunds of money paid to the business. An Assurance of Voluntary Compliance was reached on November 1, 2008. The company agreed to cease violating the Consumer Sales Practices Act and pay consumer restitution of \$15,216. It also agreed to pay \$10,000 in investigative costs, with \$9,000 suspended upon full and complete compliance with the Assurance of Voluntary Compliance.

C. CONSUMER ASSISTANCE DIVISION

The Consumer Assistance Unit of the Consumer Protection Section is comprised of fifteen Complaint Specialists and two Title Defect Rescission Fund (TDR) personnel. The Complaint Specialists and TDR staff provides customer service to consumers who have filed complaints with our office against various businesses. In 2008, the Consumer Assistance Unit received more than 24,000 consumer complaints and inquiries.

The Complaint Specialists have concentrated areas of expertise and provide informal mediation by contacting the businesses in an attempt to resolve consumer complaints and to bring the businesses into compliance with Ohio law. One of the Complaint Specialists also serves as Lemon Law Administrator who helps consumers with resolution of their lemon law complaints by providing informal mediation or assistance with the arbitration process. The TDR staff assists motor vehicle purchasers in obtaining automobile titles and temporary tags. They also are responsible for the TDR membership and billing program.

All consumer complaint information is used for possible investigative referrals. The Complaint Specialists refer businesses for investigation based upon consumer complaint volume, apparent trends, patterns of abuse, and other factors. The ability to identify problem businesses is critical in the Consumer Protection Section's attempt to protect consumers. Many investigative referrals have led to successful litigation.

Top Ten Consumer Complaints Reported to the Attorney General's Office

Every year the Attorney General compiles a list of the top ten complaint generating areas. For 2008, the top ten generating areas were:

1. Auto
2. Collections/Credit Reporting
3. Household Services/Improvements
4. Telecommunications
5. Residential Mortgages
6. Shopping/Apparel/Accessories
7. Professional Services
8. Credit Loan Services
9. Health & Beauty
10. Household Goods

D. EDUCATION

Beyond mediating, investigating, and litigating consumer complaints, the Consumer Protection Section develops educational programs to assist Ohio consumers before they become a victim of consumer fraud. The Attorney General strives to educate all Ohioans, including the elderly, young adults, minorities and other vulnerable segments of the population.

The Consumer Protection Section provides free speakers and conducts consumer workshops for church groups, civic associations, fraternal organizations, senior centers, neighborhood centers, retirement communities, and others throughout the state. Participants at our workshops learn to identify deceptive sales practices, protect themselves from identity theft, learn about their consumer rights, and how to seek assistance from the most appropriate resource.

In addition to participating in hundreds of consumer outreach activities in 2008, the Consumer Protection Section developed a “Smart Money Choices” toolkit for high school educators to instruct their students to recognize unfair and deceptive sales practices. The toolkit provided educational brochures, tip sheets, consumer quizzes, sample credit cards solicitations and much more. As a result, more than five hundred educators throughout Ohio were trained to teach their students how to practice “Smart Money Choices.”

A Take Action Public Service Announcement Contest was launched that challenged Ohio high school students to fight fraud and learn how to make better financial decisions. Students were asked to submit a sixty second public service announcement on topics including reading the fine print, free isn't always free, avoiding offers too good to be true, building good credit, preventing identity theft, and safe internet shopping and networking. Student teams are competing for more than \$7000 in gift card prizes, \$5000 of which will be awarded to the winning teams' high school.

THREE NEW ELECTRONIC NEWSLETTERS WERE LAUNCHED IN 2008:

The Consumer Advocate is distributed to the public, highlighting seasonal consumer tips, links to other agency information, and stories of general interest.

The Consumer Insider is distributed to all Attorney General employees and highlights seasonal consumer tips, expressions of consumer gratitude, statistical summary of complaint resolution, and specific requests for help with ongoing investigations.

The Consumer Law Advisor is distributed to lawyers and other consumer advocates in Ohio and highlights new court decisions, consumer class actions, and legislative issues.

E. CONSUMER LAWS

In addition to the Consumer Sales Practices Act, the Ohio Attorney General's Consumer Protection Section enforces many other Ohio laws and federal statutes created to protect consumers from unfair business practices. Among the Ohio laws the Consumer Protection Section is charged with enforcing are:

PREDATORY LENDING LAW: Brings non-bank mortgage lenders and mortgage brokers into the jurisdiction of the Consumer Sales Practices Act, providing the Attorney General authority to investigate and initiate legal proceedings against predatory lending practices.

HOME SOLICITATION SALES ACT: Protects consumers from unethical door-to-door sales practices and allows consumers a three-day "cooling off" period during which the sale can be canceled.

TELEPHONE SOLICITATION SALES ACT: Requires certain telephone solicitors to meet statutory requirements, post a bond and register with the Ohio Attorney General's Office prior to being able to solicit Ohio consumers.

PREPAID ENTERTAINMENT CONTRACTS ACT: Protects consumers who sign contracts with health spas, dance studios, diet centers, dating services, and martial arts training schools by providing a three-day "cooling off" period and by specifying conditions under which a contract can be canceled.

TITLE DEFECT REVISION ACT: Creates the Title Defect Recision Fund, administered by the Consumer Protection Section, to provide refunds to retail purchasers of motor vehicles who are unable to obtain a certificate of title within the statutory period of time.

LEMON LAW: Requires automakers to repair any design or construction defect that affects the use, value, or safety of a new motor vehicle within the first 12 months or 18,000 miles.

ODOMETER ROLLBACK AND DISCLOSURE ACT: Makes it illegal to alter the mileage reading of a motor vehicle and requires that accurate mileage disclosures be made when selling the motor vehicle.

BUSINESS OPPORTUNITIES PURCHASERS PROTECTION ACT:

Requires the disclosure of certain information in the sale of business opportunity plans and provides other safeguards such as a required “cooling off” period for consumer investors.

CREDIT SERVICES ORGANIZATIONS ACT: Regulates businesses that charge consumers to improve credit histories or obtain extensions of credit, by requiring various disclosures, a “cooling off” period” and prohibiting certain conduct such as receiving any payment prior to providing all services.

DEBT ADJUSTERS ACT: Regulates businesses that offer debt pooling, adjusting, or management services, by requiring business audits and insurance coverage, and placing limitations on contributions that can be accepted from the debtor.

NEW CONSUMER LAWS ENACTED IN 2008

CREDIT FREEZE ACT: Requires credit reporting agencies to allow consumers to place credit freezes on their credit reports to prevent the extension of new credit, and sets forth how to temporarily or permanently remove the freezes.

SMALL LOAN LENDER ACT: Limits permissible payday loan interest rate charges to 28%, prohibits unfair debt collection practices, and requires internet lenders to have an Ohio location.

The seal of the Office of the Attorney General of Ohio is a circular emblem. It features a central sun rising over a landscape with a river and trees. The words "OFFICE OF THE ATTORNEY GENERAL OF OHIO" are inscribed around the perimeter of the seal. The seal is rendered in a light blue and yellow color scheme.

**Office of Ohio Attorney General Nancy Rogers
Consumer Protection Section**

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