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NEWS RELEASE



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Protecting Alaska's Future

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Yellow Pages, Inc. to Stop Sending Check Solicitations and to Provide Consumer Refunds

(Anchorage) – Alaska Attorney General David Márquez announced today that Yellow Pages, Inc. (YPI), d/b/a www.YellowPagesInc.com, a Nevada-based company located in Anaheim, CA, has agreed to stop sending check solicitations, which, when cashed or deposited, purport to obligate the consumer to pay for any of YPI's goods or services. Under the settlement agreement entered into between YPI, the State of Alaska and 27 other states, YPI has also agreed to pay \$535,000 in costs and will provide customer refunds.

YPI sells business directory services primarily for its online Internet directory. To solicit business, YPI allegedly sent check solicitations to consumers consisting primarily of small businesses, churches, and schools across the country. If the recipient deposited the check it was signed up by YPI for the company's directory services.

"The checks sent to the consumers looked very much like rebate checks from local yellow page companies," said Márquez. "The solicitations did not have adequate disclosures on the front of the checks to inform consumers that cashing the check would make them liable to YPI for Internet advertising services costing \$179.00 per year. A number of businesses and other organizations, in and outside Alaska, registered complaints that they were being billed for services for which they hadn't signed-up."

"YPI also sent subscription renewal notices to consumers who cashed the checks, which looked like an invoice or statement of account owed by the consumer, when in fact they were only requests to renew YPI's services," said Julia Coster, Assistant Attorney General in the Department of Law's Consumer Protection section. "These types of renewals, unaccompanied by adequate disclosures, would likely constitute a violation of the U.S. postal statutes relating to invoice advertising."

In the agreement, YPI denies all the allegations raised by the states, but the company has agreed to the following in the participating states:

- A complete cessation of all check solicitations
- A complete cessation of all collection efforts relating to past check solicitations sent to consumers
- A cancellation of all alleged contracts by consumers who cashed the checks and didn't pay for the services, and
- A prohibition on the use of check solicitation renewal forms in violation of postal statutes relating to invoice advertising

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In addition, the settlement requires YPI to provide a refund to all consumers who file a complaint requesting a refund of payments made pursuant to YPI's check solicitation or check solicitation renewal collection efforts, and a cancellation of any alleged advertising contracts with the complaining consumers.

YPI will pay the participating 28 states a total of \$535,000 to cover the states' costs and attorney's fees, and to be used by the states for consumer protection education and enforcement efforts. Alaska's share of the payment will be \$55,000.

Over 425 businesses may be eligible to receive a refund in Alaska. Under the settlement businesses that cashed a solicitation check and paid for the advertising are eligible to receive a refund in the amount that they paid YPI, if at the time they made the payment they did not want the advertising services. Businesses that cashed the check, without paying for any advertising services, will have their alleged contract for advertising considered cancelled and they will not receive any more invoices or collection notices from YPI.

In order to receive a refund, the business should send a complaint or letter, by June 15, 2006, requesting a refund to the Alaska Department of Law, Consumer Protection Section, at 1031 W. 4th Avenue, Suite 200, Anchorage, Alaska 99501-1994. The complaint or letter should contain the organization's name, address, phone number, the name of the contact person, the amount paid, and should indicate that the organization did not want the advertising services when they made the payment for services.

For additional information about this settlement please contact Assistant Attorney General Julia Coster at (907) 269-5200. A copy of the settlement will be posted on the Department of Law's website at: www.law.state.ak.us.

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