



News Release

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FOR IMMEDIATE RELEASE

Sept. 9, 2010

#10-32

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Tennessee Announces New \$3.5 Million Agreement with Publishers Clearing House

Attorney General Bob Cooper and Division of Consumer Affairs Director Mary Clement today announced they have signed a new multistate agreement with Publishers Clearing House (PCH) which will supplement a 2001 agreement and add more consumer protection features to the existing agreement.

The agreement calls for the major sweepstakes promoter based in Port Washington, N.Y. to pay the states \$3.5 million. Tennessee's share is \$40,000. In addition, the agreement puts additional safeguards in place to help protect elderly and vulnerable consumers from confusion and unnecessary spending.

Earlier settlements with Publishers Clearing House filed by numerous states in 2000 and 2001 included specific conditions aimed at resolving the states' allegations that PCH engaged in deceptive marketing practices. Some of those complaints were that the company mailed promotional materials designed to mislead elderly consumers into believing that purchases would increase their odds of winning.

"You should never have to buy a product or service or pay a fee to enter a sweepstakes," Attorney General Bob Cooper said. "We will be ever vigilant in our efforts to protect senior citizens and other vulnerable consumers in this State."

The states' recent investigation raised concerns that Publishers Clearing House was not fully complying with the prior agreement and that consumers could still be confused by the nature and language of some of the company's subsequent sweepstakes promotional mailings.

The supplemental judgment includes stronger provisions than the prior agreement and also includes additional conditions to help ensure that consumers are not further confused by the company's sweepstakes promotions. The new agreement also greatly increases consumer surveys to ensure that all consumers, but especially elderly and vulnerable consumers, understand that purchasing does not increase their chances of winning a sweepstakes prize. In addition, the company agreed to pay 3.5 million dollars to cover the cost of the states' investigation.

Anyone who has complaints with any business regarding unfair or deceptive conduct may contact the Tennessee Department of Commerce and Insurance Division of Consumer Affairs at 1-800-342-8385 or online at www.tn.gov/consumer/.