

December 19, 2006

STENEHJEM REACHES SETTLEMENT WITH YP CORP. FOR DECEPTIVE BILLING

BISMARCK – Attorney General Wayne Stenehjem has reached a settlement with Arizona based YP Corp. doing business as YP.com in which North Dakota businesses will receive refunds for alleged deceptive billing practices. North Dakota joined 33 other states in the agreement with YP Corporation and its subsidiary, Telco Billing, Inc., doing business under the name YP.com.

Stenehjem alleged that YP.com sent businesses “live” activation checks in the mail, payable to the business for a small amount, usually around \$3.50. On the back of the checks, in fine print above the endorsement line, was language stating that by depositing the check, the recipient agreed to purchase advertising from YP.com in its online yellow-pages directory. The fine print also stated, that by depositing the check, the recipient authorized YP.com to bill the monthly fees in advance. The fees were charged to the telephone bill or were debited from the bank account of the business.

“The mailing did not properly disclose to the thousands of North Dakota businesses that received it, that by endorsing and depositing the check, the business was agreeing to be billed for an online yellow-pages directory service. I believe this practice was deceptive so I’m pleased we reached an agreement for YP.com to discontinue the practice and issue customer refunds,” Stenehjem said.

YP.com has agreed to send current customers being billed a letter and a claim for a refund of up to four months of payments. These current customers should be contacted by YP.com by letter in the next two weeks. Stenehjem has received \$9,000 to distribute to North Dakota businesses that are not current customers, but may be entitled to refunds. According to Stenehjem North Dakota will also receive \$15,000 for attorney’s fees and investigation costs in lieu of civil penalties.

Parrell Grossman, Director of the Consumer Protection Division, handled this matter on behalf of the Attorney General’s Office. “We caution our North Dakota businesses to not deposit ‘live’ activation checks without carefully reading the endorsement and understanding the consequences of depositing such checks,” Grossman said.

The deadline for filing all claims is February 28, 2007. Customers may download a claim form at www.ag.nd.gov or contact the Attorney General’s Consumer Protection Division toll-free at 1-800-472-2600 or 701-328-5570 for information on refund claims.

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