

JUAN B. COLÁS  
CIRCUIT COURT, BR 10

STATE OF WISCONSIN

CIRCUIT COURT  
BRANCH \_\_\_\_\_

DANE COUNTY

STATE OF WISCONSIN  
17 West Main Street  
Post Office Box 7857  
Madison, WI 53707-7857,

FILED

NOV 25 2014

DANE COUNTY CIRCUIT COURT

Plaintiff,

Case No. 14-CX-53

v.

Complex Forfeiture: 30109

LAURA LOVRIEN,  
7610 Torrey Pines Terrace  
Eagle Point, Oregon 97524-8024,

LIBERTY PUBLISHERS SERVICE, INC.  
1750 Delta Waters Road, # 102-204,  
Medford, Oregon 97504,

and

ORBITAL PUBLISHING GROUP, INC.  
216 Lemmon Drive, # 357  
Reno, Nevada 89506 and  
1750 Delta Waters Road, # 102-204,  
Medford, Oregon 97504,

Defendants.

THIS IS AN AUTHENTICATED COPY OF THE  
ORIGINAL DOCUMENT FILED WITH THE DANE  
COUNTY CLERK OF CIRCUIT COURT.

CARLO ESQUEDA  
CLERK OF CIRCUIT COURT

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SUMMONS

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THE STATE OF WISCONSIN

To each person named above as a Defendant:

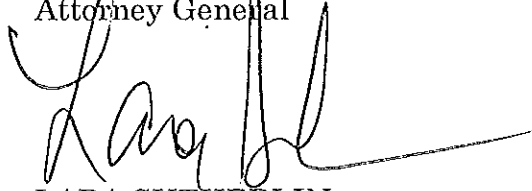
You are hereby notified that the Plaintiff named above has filed a lawsuit or other legal action against you. The Complaint, which is attached, states the nature and basis of the legal action.

Within twenty (20) days of receiving this Summons, you must respond with a written Answer, as that term is used in Wis. Stat. ch. 802, to the Complaint. The Court may reject or disregard an Answer that does not follow the requirements of the statutes. The Answer must be sent or delivered to the Court, whose address is, Dane County Courthouse, 215 South Hamilton Street, Madison, Wisconsin 53703-3285, and to Lara Sutherlin, Assistant Attorney General, Plaintiff's attorney, whose address is Post Office Box 7857, Madison, Wisconsin 53707-7857. You may have an attorney help or represent you.

If you do not provide a proper Answer within twenty (20) days, the Court may grant judgment against you for the award of money or other legal action requested in the Complaint, and you may lose your right to object to anything that is or may be incorrect in the Complaint. A judgment may be enforced as provided by law. A judgment awarding money may become a lien against any real estate you own now or in the future, and may also be enforced by garnishment or seizure of property.

Respectfully submitted this 25<sup>th</sup> day of November, 2014.

J.B. VAN HOLLEN  
Attorney General

A handwritten signature in black ink, appearing to read 'Lara Sutherlin', written over the printed name of the Assistant Attorney General.

LARA SUTHERLIN  
Assistant Attorney General  
State Bar # 1057096

Attorneys for State of Wisconsin

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STATE OF WISCONSIN

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DANE COUNTY

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17 West Main Street  
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## COMPLAINT

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The State of Wisconsin brings this enforcement action against the above-named Defendants for their use of false, misleading and deceptive representations to induce consumers - including many elderly -- into subscribing to fake periodicals,

or periodicals for which Defendants, as third-party subscription agents, could not secure subscriptions. Defendants' business practices, as described below, constitute significant violations of Wisconsin consumer protection laws for which the State seeks injunctive relief, forfeitures and recovery of pecuniary losses suffered by Wisconsin consumers.

## PARTIES

1. Plaintiff, State of Wisconsin, brings this lawsuit on behalf of the Wisconsin Department of Justice ("DOJ"), and the Wisconsin Department of Agriculture, Trade and Consumer Protection ("DATCP"). The State of Wisconsin's principal offices are at the State Capitol in Madison, Wisconsin.

2. Defendant Liberty Publishers Service, Inc., is incorporated in the State of New York, with the registered agent being Corporate Service Bureau Inc., 283 Washington Avenue, Albany, New York, 12206. Its business address is 1750 Delta Waters Road, # 102-204, Medford, Oregon 97504.

3. Defendant Orbital Publishing Group, Inc., is incorporated in the State of New York, with the registered agent being Corporate Service Bureau Inc., 283 Washington Avenue, Albany, New York, 12206. Its business addresses are 216 Lemmon Drive, # 357, Reno, Nevada 89506 and 750 Delta Waters Road, # 102-204, Medford, Oregon 97504.

4. On information and belief, Defendants have operated under the following D/B/As: Publishers Billing Association, Associated Publishers Network, Publishers Payment, Circulation Billing Services, Publishers Billing Center, United

Publishers Services, Publishers Distribution Services, Magazine Billing Network, National Magazine Services, Magazine Distribution Services, Publishers Billing Emporium, Publishers Billing Exchange, Subscription Billing Services, Circulation Billing Center, Magazine Billing Services, Publishers Periodical Service, Readers Payment Services, Magazine Payment Services, Publishers Payment Services, United Publishers Network, Magazine Billing Services, and Publishers Billing Services.

5. Defendant Laura Lovrien is an adult residing at 7610 Torrey Pines Terrace, Eagle Point, Oregon 97524-8024.

6. Defendant Lovrien is the President of the Defendant Liberty Publishers Service, Inc., and the chief executive officer of Defendant Orbital Publishing Group, Inc.

7. Defendant Lovrien responded to regulatory inquiries from the DATCP regarding Wisconsin consumer complaints.

8. On information and belief, Defendant Lovrien help to create each of these Defendant companies, located at the same addresses, using the same business model and nearly identical direct-mail pieces, and committing the same violations of Wisconsin consumer protection laws.

9. Defendant Lovrien participated in, controlled and had knowledge of the acts and practices of the aforementioned Defendants at issue here.

10. For the purpose of this Complaint, the aforementioned Defendants whether acting under their own name or through D/B/As, will be referred to collectively as "Defendants."

### JURISDICTION AND VENUE

11. The Court has jurisdiction over this action pursuant to Wis. Stat. §§ 100.20(6), and 100.26(6).

12. Venue is appropriate in Dane County pursuant to Wis. Stat. § 801.50(2)(d).

### FACTUAL ALLEGATIONS

13. From at least 2010 to present, Defendants used direct-mail marketing to solicit sales to periodicals throughout the United States.

14. Defendants solicit consumers through direct-mail pieces that appear to be an invoice for the renewal of consumers' existing or cancelled periodical subscriptions, such as the following:

UNITED PUBLISHERS SERVICES

1-707-266-6673

	\$44.98
November 21, 2014	\$89.95

Your subscription to SCIENCE NEWS is automatic with receipt of your payment when you choose to renew or order a new subscription. Fortunately, by acting now, you can lock in at one of our lowest rates! You're enjoying one of the lowest available rates we can offer for your regular subscription.

UnitedPublishersServices@publsherepayment.com

UPS

PO Box 2489 • White City, OR 97505

SCIENCE NEWS  
26 ISSUES 1 YR(S)

\*AUTO\*\*SCH 5-DIGIT 53711

MADISON WI 53711-1741



NOVEMBER 21, 2014  
PAYMENT

	\$44.98
November 21, 2014	\$89.95

SCIENCE NEWS  
26 ISSUES 1 YR(S)

Printed Payment - 10 days and 12 issues month

4 Green Paper Payment

33% to Later - AND THANK YOU

For Credit Card Payment Go To:

www.unitedpublisherspayment.com

United Publishers Services, Inc. 10000 N. 10th St.

UPS

PHONE

For postage by air

Please make all financial transactions in US dollars

MADISON WI 53711-1741

**WALL STREET JOURNAL**

Toll Free:  
1-866-437-7897

CONTROL NUMBER		ACCOUNT HOLDER'S NAME	PLEASE RESPOND BY October 24, 2013
YEARS	ISSUES	MAGAZINE	
1	312	WALL STREET JOURNAL	\$599.95
Total Amount:			\$599.95

ASSOCIATED PUBLISHERS NETWORK  
850 S Boulder HWY #355 • Henderson, NV 89015

Your subscription to WALL STREET JOURNAL is automatic with receipt of your payment when you choose to renew or order a new subscription. Fortunately, by acting now, you can lock in at one of our lowest rates! You're receiving one of the lowest available rates we can offer for your regular subscription.



\*\*\*\* AUTO\*\*MIXED AADC 605

GREEN BAY WI 54302-4900



15P8167/12 RENEWAL OFFER - NOT A BILL

**RENEWAL NOTICE**

CONTROL NUMBER	INSTALLMENT	AMOUNT
	\$299.98	\$599.95

PLEASE RESPOND BY: October 24, 2013

YEARS	ISSUES	MAGAZINE NAME
1	312	WALL STREET JOURNAL
<input type="checkbox"/> BILL ME LATER <input type="checkbox"/> INSTALLMENT <input type="checkbox"/> NO THANK YOU		

TO INSURE PROPER CREDIT  
PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Please make checks payable to:  
APN  
850 S Boulder HWY #355 • Henderson, NV 89015  
TOLL FREE 1-866-437-7897

GREEN BAY WI 54302-4900

Credit Card Payment Go To  
[www.unitedpubex.com](http://www.unitedpubex.com)

DETACH HERE  
PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

15. Defendants' solicitations also allow the consumer to order a new periodical subscription. See ¶ 14.

16. Defendants' solicitations provide the name of the periodical and the price and duration of the subscription. The solicitations allow consumers to elect deferred or installment payments. *Id.*

17. Consumers purchase subscriptions by either providing a credit card number or sending a check to the Defendants.

18. Some of Defendants' direct-mail pieces state: "Notice of Renewal/New Order," while others simply state "Notice of Renewal."

19. They further contain the following or similar language:

Your subscription to WALL STREET JOURNAL is automatic with receipt of your payment when you choose to renew or order a new subscription. Fortunately, by acting now, you can lock in at one of our lowest rates! You're receiving one of the lowest available rates we can offer for your regular subscription.

See ¶ 14.



20. Defendants are independent periodical subscription agents, who place new periodical subscription orders and renewal orders through periodical-subscription clearing houses, which will then "clear" the periodical subscriptions forwarded by various periodical subscription agents.

21. As such, Defendants have no authorization by or affiliation with the publishers whom they purport to represent.

22. By using the phrase "lock in at one of our lowest rates!" Defendants create the impression they are affiliated with the publisher and have the ability to offer reduced subscription rates. See ¶ 14.

23. Further, by using the phrase "You're receiving one of the lowest available rates we can offer for your regular subscription," Defendants' direct-mail pieces create the reasonable impression that the rate offered by the Defendants is particularly low. See ¶ 14.

24. In fact, the rates offered are often significantly more than those offered by the publisher.

25. By using the phrase "renewal," Defendants' direct-mail pieces lead some consumers to believe their subscription is close to expiration, when in fact their subscription is not ripe for renewal.

26. By using the phrase "Your subscription to WALL STREET JOURNAL is automatic with receipt of your payment when you choose to renew or order a new subscription," Defendants' direct-mail pieces represent that Defendants can ensure your subscription will be ordered or renewed, when in fact Defendants have no

authorization by or affiliation with the publishers whom they represent and cannot guarantee a subscription.

27. With respect to the WALL STREET JOURNAL in particular, Defendants have been told to cease and desist by the publisher and the publisher will not honor subscription orders or renewals from Defendants.

28. Likewise, other publishers have placed scam alerts on their websites and inform consumers that they do not accept renewals or orders from Defendants.

29. As a result of Defendants' deceptive direct-mail pieces, some consumers reasonably believe the invoices are generated by the publisher and have paid Defendants for the subscription based upon that misconception.

30. Some consumers complain that after payment to Defendants for a renewal or new order, Defendants fail to renew or order their subscription. In these cases, consumers do not receive the subscription for which they paid Defendants.

31. Using the d/b/a Publishers Billing Exchange, Defendants targeted elderly consumers by repeatedly sending direct-mail solicitations of the type described above to nursing home residents and elderly individuals.

32. Using the d/b/a United Publishing Network, Defendants recently engaged in a practice of issuing fraudulent invoices for both existent and non-existent publications, designed to confuse consumers into believing they are paying for an on-going subscription with a newspaper or periodical, such as the Wisconsin State Journal or the Milwaukee Journal Sentinel. Here is an example of an invoice for the Milwaukee Journal Sentinel:

PUBLISHERS BILLING ASSOCIATION

1-707-266-6673

NOTICE OF RENEWAL  
NEW OFFER

Subscription Rate	\$249.98
December 5, 2014	\$499.95

Your subscription to MILWAUKEE JOURNAL SENTINEL is associated with receipt of your payment when you choose to renew or order a new subscription. Renewally, by acting now, you can lock in at one of our lowest rates!

You're receiving one of the lowest available rates we can offer for your regular subscription.

Email: [customerservice@publisherspayment.com](mailto:customerservice@publisherspayment.com)

MILWAUKEE JOURNAL SENTINEL  
365 ISSUES 1 YR(S)

PBA

PO Box 2489 • White City, OR 97503

\*4100\*\*SCH 5-DIGIT 53151

NEW BERLIN WI 53151-2347



Subscription Rate	\$249.98
December 5, 2014	\$499.95

MILWAUKEE JOURNAL SENTINEL  
365 ISSUES 1 YR(S)

If you wish to pay by credit card, please call 1-707-266-6673 or visit [www.publisherspayment.com](http://www.publisherspayment.com) to check out. If you wish to pay by check, please allow 4-6 weeks for delivery. **BE SURE TO SIGN AND THANK YOU!**

For Credit Card Payment Go To:

[www.publisherspayment.com](http://www.publisherspayment.com)

PBA

PHONE \_\_\_\_\_  
If you wish to pay by check, please allow 4-6 weeks for delivery.  
Please include any name or address corrections before

NEW BERLIN WI 53151-2347

33. The price offered in Defendants' direct mail piece - \$499.95 - is quoted as one of our "lowest rates." Yet, the price quoted for the Milwaukee Journal Sentinel on its website is \$182.00 for 52 weeks.


34. Likewise, Defendants' direct mail pieces offer \$189.00 for the Milwaukee Business Journal, again as one of their "lowest rates." Yet, the price for the Milwaukee Business Journal quoted on its website is \$102.00 for 52 weeks.


35. In some of their fraudulent invoices, the Defendants identify the "Madison State Journal" which does not even exist.

<b>MADISON STATE JOURNAL</b>			Toll Free: 1-866-437-7897
CONTROL NUMBER	ACCOUNT HOLDER'S NAME	PLEASE RESPOND BY October 27, 2014	
YEARS	ISSUES	MAGAZINE	\$499.95
1	365	MADISON STATE JOURNAL	\$499.95
Total Amount:			\$499.95

ASSOCIATED PUBLISHERS NETWORK  
850 S Boulder HWY #355 • Henderson, NV 89015

Your subscription to MADISON STATE JOURNAL is automatic with receipt of your payment when you choose to renew or order a new subscription. Fortunately, by asking now, you can lock in at one of our lowest rates! You'll receive one of the lowest available rates we can offer for your regular subscription.

 \*\*\*\*\*AUTO\*\*MIXED AADC 605  
MADISON WI 53704-5962



UPE RN10 03/12 RENEWAL OFFER -- NOT A BILL

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### Renewal Notice/New Order

CONTROL NUMBER	INSTALLMENT	AMOUNT
	\$249.98	\$499.95

PLEASE RESPOND BY: October 27, 2014

YEARS	ISSUES	MAGAZINE NAME
1	365	MADISON STATE JOURNAL

BILL ME LATER     INSTALLMENT     NO THANK YOU

TO INSURE PROPER CREDIT  
PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Please make checks payable to:  
APN  
850 S Boulder HWY #355 • Henderson, NV 89015  
TOLL FREE 1-866-437-7897

MADISON WI 53704-5962

**Credit Card Payment Go To**  
[www.unitedpubax.com](http://www.unitedpubax.com)

DETACH HERE  
PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

36. The fraudulent invoices are for significantly more money than a real subscription.

37. Consumers have unwittingly paid these fraudulent invoices, believing their subscriptions required renewal, when in fact they did not.

38. Upon information and belief, Defendant Laura Lovrien is liable for the following violations inasmuch as she had actual or constructive knowledge of, participated in, approved, ratified, endorsed, directed, or controlled or otherwise had the ability to control the acts and practices that form the basis for the violations.

## VIOLATIONS

### COUNT I

#### Violations of Direct-Mail Rule Wis. Admin Code §§ ATCP 127.40 & 127.44

39. Plaintiff re-alleges all preceding paragraphs and incorporates them herein.

40. The direct-mail pieces delivered to Wisconsin households and described above are “mail solicitations” as defined by Wis. Admin. Code § ATCP 127.30(2).

41. Defendants are “sellers” within the definition of Wis. Admin. Code § ATCP 127.01(21).

42. Defendants were, at all times relevant to this complaint, engaged in the business of selling periodical subscriptions, which constitute “consumer goods or services” within the meaning of Wis. Admin. Code § ATCP 127.01(3).

43. Defendants violated Wis. Admin. Code § ATCP 127.40 by failing to comply with Wisconsin’s Mail Order Statute, Wis. Stat. § 100.174, in that they failed to ensure timely mailing of ordered subscriptions.

44. Defendants violated Wis. Admin. Code § ATCP 127.44 by:

a. Misrepresenting Defendants’ affiliation with publishers – ATCP 127.44(9);

b. Misrepresenting the nature and terms of the transaction, in that Defendants were not authorized to offer discounted prices – ATCP 127.44(2);

c. Misrepresenting the nature and terms of the transaction in that Defendants, as periodical subscription agents, could not ensure the renewal

or order of a periodical subscription from the publisher as presented – ATCP 127.44(3);

d. Misrepresenting the Defendants' subscriptions come at reduced prices when in fact the cost is significantly more than prices offered by the publishers – ATCP 127.44(8); and

e. Making other false, deceptive or misleading representations, including purporting to “renew” or initiate subscriptions to non-existing publications -- ATCP 127.44(15).

45. Each misrepresentation described herein constitutes a separate violation.

**COUNT II**  
**Fraudulent Representations**  
**Wis. Stat. § 100.18**

46. Plaintiff re-alleges all preceding paragraphs of the complaint and incorporates them herein.

47. Wisconsin Stat. § 100. 18(1) provides, in relevant part, that no person or firm, with intent to sell merchandise or a service, shall make to the public (which can mean even a single potential customer), any assertion, representation or statement of fact which is untrue, deceptive or misleading.

48. Defendants committed multiple, separate violations of Wis. Stat. § 100.18(1) in the course of marketing periodical subscription services to Wisconsin consumers by making untrue, deceptive, or misleading representations regarding:

a. Defendants' affiliation with publishers;

b. The nature and terms of the transaction, in that Defendants were not authorized to offer discounted prices;

c. The nature and terms of the transaction in that Defendants, as periodical subscription agents, could not ensure the renewal or order of a periodical subscription from the publisher as presented;

d. The existence of the periodical for which they solicited subscriptions and renewals, when in fact it was fake; and

e. The cost of the goods and services in that the prices offered by Defendants were not in fact discounted.

49. Each misrepresentation described in this complaint constitutes a separate violation.

**COUNT III**  
**Violations against the Elderly**  
**Wis. Stat. § 100.264**

50. Plaintiff re-alleges all preceding paragraphs of the complaint, and incorporates them herein.

51. Upon information and belief, many consumers targeted were "elderly persons" as defined by Wis. Stat. § 100.264(1)(b) as they were 62 years or older.

52. Defendant Publishers Billing Exchange misrepresented the terms of subscription orders and renewals to consumers over the age of 62 in violation of Wis. Stat. § 100.264.

## PRAYER FOR RELIEF

On the grounds of the preceding allegations and claims, the State of Wisconsin asks the Court to enter judgment as follows:

A. Declaring that Defendants have violated Wis. Stat. § 100.18 and Wis. Admin. Code. ch. ATCP 127, subchapters III and IV;

B. Permanently enjoining Defendants from continuing violations of the Direct Marketing, Fraudulent Representations and Violations Against the Elderly laws and rules;

C. Imposing civil forfeitures against Defendants in the amount of not less than \$50.00 nor more than \$200.00 for each violation of Wis. Stat. § 100.18(1), pursuant to Wis. Stat. § 100.26(4); and a civil forfeiture of not less than \$100 nor more than \$10,000 for each violation of Wis. Admin. Code § ATCP 127 (Direct Marketing), pursuant to Wis. Stat. § 100.26(6), plus all applicable statutory penalty assessments and surcharges;

D. Imposing a supplemental forfeiture against Defendants Publishers Billing Exchange and Laura Lovrien, pursuant to Wis. Stat. § 100.264, for targeting elderly consumers in their solicitations;

E. Requiring Defendants to pay the costs of the investigation leading to this enforcement action, statutory litigation costs, and attorney's fees; and

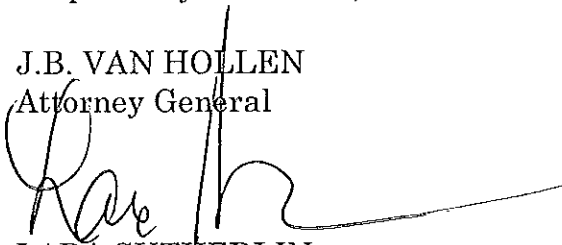
F. Awarding any further relief that the Court deems appropriate under the circumstances.



Dated this 25<sup>th</sup> day of November, 2014.

Respectfully submitted,

J.B. VAN HOLLEN  
Attorney General



LARA SUTHERLIN  
Assistant Attorney General  
State Bar #1057096

Attorneys for State of Wisconsin

Wisconsin Department of Justice  
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