

SPECIAL BULLETIN

Misleading "Exhibitor Directory" Advertising Offer STOPPED

Marketplace Events LLC learned that "Construct Data Publishers" of Bratislava, Slovakia and similar companies were targeting various show producers including Marketplace Events exhibitors. They offered advertising space in their "Exhibitors Directory for Fairs and Exhibitions" via a form that includes the specific Marketplace Events show name. Exhibitors who signed and returned the form were bound to a non-terminable agreement at significant cost for a period of at least three years and automatically renewing thereafter at the same cost, unless canceled by registered letter within a specified period.



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IAEE: Alert – FTC Stops Construct Data/Fair Guide Scam

IAEE is pleased to announce it has been working with the FTC to confirm it has stopped the Construct Data/Fair Guide scam forward any solicitations received since February to info@iaee.com.

At the Federal Trade Commission's request, a federal judge has temporarily halted a Slovakia-based operation that allegedly tricked small businesses and non-profits into collectively paying millions of dollars to be listed in an online directory in which they had no interest in being listed and for which they did not understand they would be charged. **The FTC is seeking to permanently halt the alleged scam and require the defendants to refund the fees.**

According to the FTC, the defendants send mailings to retailers, home-based businesses, local associations, and others who exhibit at trade shows. The mailings mention a specific trade show or exhibition and are designed to appear as though they are merely asking the recipient to update and check the accuracy of information for the "exhibitors directory" for the named trade show or exhibition.

As alleged in the FTC's complaint, the mailings include a form stating that the recipient's basic information has been listed in the directory for free, and instructing them to confirm its accuracy or make corrections on the form. The form falsely suggests that the parties have a preexisting business relationship and that the directory listing is related to the recipient's participation in the named trade show or exhibition. Many recipients do not notice a statement, buried in fine print at the bottom of the form, that by signing and returning the form they agree to pay the defendants \$1,717 per year for three years. Often, the person who returns the form is not even authorized to enter into contracts for their employer.

According to the complaint, long after the form is signed and returned and the defendants' 10-day cancellation period has expired, the defendants send an invoice demanding payment of \$1,717 to a Slovakian bank account. Those who challenge the invoice are told the order cannot be canceled. Late payment notices follow, with late fees added, and some organizations pay just to end the harassment.

The FTC's complaint was filed against Construct Data Publishers a.s., also doing business as Fair Guide, Wolfgang Valvoda, and Susanne Anhorn. Construct Data moved from Austria to Slovakia in 2008, after being sued by Austrian authorities for deceptive practices. To settle the Austrian case, Construct Data agreed to stop soliciting businesses in the European Union.

The Commission vote authorizing the staff to file the complaint was 4-0. The U.S. District Court for the Northern District of Illinois, Eastern Division, issued a temporary restraining order and asset freeze on 15 March 2013. The FTC acknowledges the assistance of the United States Postal Inspection Service, the Attorney General's Offices of California and Illinois, the Better Business Bureaus serving Central Ohio, Metropolitan New York, and Chicago and Northern Illinois, and the Canadian Anti-Fraud Centre.

WE'RE PLEASED AUTHORITIES HAVE HALTED THIS SCAM AND ARE WORKING TO PROTECT MARKETPLACE EVENTS EXHIBITORS.