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# Pinnacle Security Reaches Settlement With Illinois

**Company sued last year for deceptive marketing practices**

**By Mark Huffman**  
**ConsumerAffairs.com**

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Pinnacle Security, a Utah-based firm, has settled a lawsuit with the State of Illinois, which accused it last fall of deceptive marketing.

The company uses door-to-door salesmen to market its home security services, and has been the subject of numerous complaints, in Illinois and elsewhere.

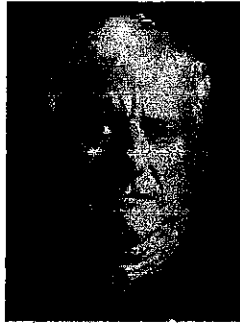
"Many Illinois homeowners who signed up for home security products as a result of Pinnacle's false claims were stuck paying for services they didn't need," said Illinois Attorney General Lisa Madigan. "This agreement is intended to put an end to those fraudulent sales practices, require the company to police its sales force more closely and provide some relief for customers."

Rosalind, of Dalton, Ill., had a Pinnacle system installed in her home in 2009, but says she had doubts about it from the start.

"I had several alarm triggers and no response," Rosalind told ConsumerAffairs.com last December. "I never received a call when my alarm went off. I called several times to inquiry and was assured that it was working. I myself have triggered the alarm just to see if I would get a response. No response."

The settlement resolves a lawsuit the attorney general filed in October 2009, alleging the company sold home security products

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using deceptive sales tactics that often left unsuspecting customers locked into two separate sales contracts for security services.

According to the settlement terms, the Orem, Utah-based company is banned from misrepresenting its service terms and its affiliation with a consumer's current security company. The settlement requires Pinnacle Security to inform consumers that they may have to pay a termination fee if they currently have a contract with another home security company.

### Restitution

Pinnacle Security also must refrain from paying commission to sales personnel who obtain contracts through fraudulent tactics. In addition, Pinnacle Security is required to pay restitution to eligible Illinois consumers who entered into contracts as a result of unfair and deceptive sales tactics.

In her suit, Madigan charged Pinnacle Security employed a door-to-door sales force that targeted customers of other, rival home security services, and used misleading statements to convince Illinois residents that Pinnacle Security had secured strategic partnerships with rival firms like ADT or that ADT had gone bankrupt and that Pinnacle Security would be servicing ADT customers as a result.

Based on these alleged misleading statements, the sales teams would persuade consumers to sign a new contract with Pinnacle Security. In some cases, the defendant's sales force also allegedly misrepresented Pinnacle Security's rates by saying that the company would not charge consumers an installation fee and that the monthly service charge would range from a promotional rate of \$21.99 to \$39.

After signing new contracts with Pinnacle Security, however, consumers discovered that ADT was still in business and that no business relationship existed between the two rival companies. At that point, Pinnacle Security allegedly refused to allow consumers to cancel their contracts, leaving consumers liable to pay for both their original home security contract with ADT or another home security company and their new contract with Pinnacle Security.

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