

ARE THERE REALLY ANY FREE LUNCHES?

A month ago, I wrote about a free meal offered at a Clinton restaurant. This was an offer designed to entice folks in to listen to a sales pitch for what amounted to a high-priced smoke detector. I cautioned readers then about their rights to cancel these contracts in three days.

This week, an alert Clinton reader called me to alert me to a similar offer. This reader reported he received a postcard inviting him to a free lunch buffet at a Clinton pizza restaurant. The invitation offered free lunches on May 19 and May 20. The invitation stated those attending to expect to be "shown a simple way" to save in utility costs. It "guaranteed saving hundreds and hundreds of dollars". My caller attended the lunch on May 19 and heard the sales pitch. The salesman represented A Plus Energy of Des Moines, Iowa. He wanted to sell aluminum-covered insulation panels for attic insulation, at \$2.49 per square foot. He touted the product, manufactured by ProGuard AB, as saving one-third on heating and cooling.

This sounded pretty good to my caller, and he signed a contract. Then he went home and hopped on the internet for online research. What he found troubled him. He saw the Wisconsin Attorney General sued a company in that state (not A Plus Energy) who sold this same product to many elderly customers. Among other things, he sued for "false representations". It turns out the R-value or insulation value of this product was less than one, or less than that of glass. The Wisconsin court entered a judgment against the company for over \$215,000. This caller said the sales pitch he heard sounded exactly like what he read about the Wisconsin lawsuit. He called the salesman and demanded a cancellation. He didn't get a notice of cancellation with his contract, as the law requires. The salesman told how someone stole all his blank contracts from his car, and his re-printing job did not get the cancellation included. This sounded like the schoolkid who reported, "the dog ate my homework." But the salesman did void the contract, to his credit.

When I heard this story on May 20, I contacted the Clinton City Clerk, Pat Van Loo. She agreed this type of sales presentation needed to be licensed under the city's transient merchant ordinance, which it was not. Van Loo sent the police to the restaurant, where they told the salesman not to make his presentation until he received a license. The salesman agreed to get a

license, and not to make his presentation. Again to his credit, he paid for the lunches of everyone who did show up. He also never went to apply for a license.

I since reported this incident to the Iowa Attorney General, and made a call to A Plus Energy, which went to their voice mail. So far, no response from them.

There's a couple of lessons here. Be wary of "free lunches". Make sure you go to these events with eyes wide open. Enjoy the food, but make sure you do your research if someone offers dramatic money savings or some sure-fire money making scheme. No need to be in a hurry to make any contracts or agreements. Especially if what is offered is some new or unheard of product, or offered by obscure companies or sales people who are not local. Make sure whomever is making these offers complies with state and local laws. In this case, the law required a transient merchant license from the city, and a notice of cancellation required by state law. This company did not get a license, and did not include the notice of cancellation. These should be red flags. If the salespeople ignore these basic laws, what else can go wrong?

If you did business with this company, I'd like to hear from you on how it went. You can reach me at Seniors vs. Crime at the Clinton County Sheriff's Office, 563-242-9211, extension 4433. Let me know about scams, schemes, and other fraud. Most of what I learn, I hear about from you.

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