

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

PEOPLE OF THE STATE OF ILLINOIS, *ex*
rel. KWAME RAOUL, Attorney General of the
State of Illinois,

Plaintiff,

v.

SOUTHEAST ENERGY CONSULTANTS,
LLC, a Florida limited liability corporation,

Defendant.

2024CH04292

No. _____

COMPLAINT FOR PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF

Plaintiff, the People of the State of Illinois, by and through Kwame Raoul, Attorney General of the State of Illinois, brings this action against Defendant Southeast Energy Consultants, LLC (“SEC”), for violations of the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1 *et seq.* (“Consumer Fraud Act” or “CFA”), and the Illinois Telephone Solicitations Act, 815 ILCS 413/1 *et seq.* (“Telephone Solicitations Act” or “TSA”).

INTRODUCTION

1. Though residential electricity has traditionally been supplied exclusively by regulated public utilities, such as ComEd and Ameren (the “default public utility”), the Illinois legislature opened the State’s energy market to competition in 1997 and allowed consumers to choose to purchase their electricity from a variety of private suppliers. Since then, numerous Alternative Retail Electric Suppliers (“ARES”) have appeared in Illinois and engaged in telemarketing and in-person solicitations to persuade consumers to select them as their electricity supplier.

2. SEC is a third-party vendor that contracts with ARES to provide telemarketing services targeting Illinois consumers. For more than 10 years, SEC provided telemarketing services targeting Illinois consumers for one or more ARES operating in the state.

3. SEC has employed fraudulent, unfair, and deceptive business practices to market and sell electricity services to consumers in Illinois. Among other practices, SEC marketed ARES' services by claiming consumers would save money on their electric bills. As a result, Illinois residents were often defrauded into purchasing high-cost electricity supply services.

4. SEC also made numerous false, deceptive, and misleading statements that led consumers to believe that its agents were affiliated with the default public utility company, and that the agents were calling to enroll them in an official state-sponsored program that would provide some cost-saving benefit.

5. The State brings this action to stop SEC's illegal conduct, recover the hundreds of thousands of dollars in increased costs that Illinois consumers have paid as a result of SEC's conduct, require SEC to pay civil penalties pursuant to the Illinois Consumer Fraud Act and the Illinois Telephone Solicitations Act, including a mandatory penalty of \$50,000 for each violation committed against a senior citizen, and revoke SEC's authority to operate in the State.

PARTIES

6. Plaintiff, the People of the State of Illinois, by Kwame Raoul, the Attorney General of the State of Illinois, is authorized to enforce the Consumer Fraud Act and the Telephone Solicitations Act.

7. Defendant Southeast Energy Consultants LLC is a Florida corporation with its principal place of business in Holiday, Florida, that contracts with ARES to provide telemarketing services. At all relevant times, SEC was engaged in trade and commerce in Illinois by marketing, selling, and promoting electric supply to Illinois residents.

8. Any references herein to the acts and practices of SEC shall mean such acts and practices are by and through the acts of SEC's officers, owners, members, directors, employees, representatives and/or other agents.

PUBLIC INTEREST

9. The Illinois Attorney General believes this action to be in the public interest of the citizens of the State of Illinois and brings this lawsuit pursuant to the Illinois Consumer Fraud Act and the Illinois Telephone Solicitations Act. 815 ILCS 505/1; 815 ILCS 413/1.

JURISDICTION AND VENUE

10. This Court has jurisdiction over this action pursuant to the Court's general jurisdiction and pursuant to 815 ILCS 505/1 *et seq.* and 815 ILCS 413/1 *et seq.*, as the cause of action arises from actions taken by SEC in Illinois.

11. This Court has personal jurisdiction over SEC because it transacts business in Illinois, including in Cook County.

12. Venue for this action is proper in Cook County pursuant to Section 2-101 of the Illinois Code of Civil Procedure, 735 ILCS 5/2-101, because SEC is doing business in Cook County and some of the transactions out of which this action arose occurred in Cook County.

TRADE AND COMMERCE

13. The Consumer Fraud Act, 815 ILCS 505/1(f), defines "trade" and "commerce" as:

[T]he advertising, offering for sale, sale, or distribution of any services and any property, tangible or intangible, real, personal or mixed, and any other article, commodity, or thing of value wherever situated, and shall include any trade or commerce directly or indirectly affecting the people of this State.

14. At all times relevant to this Complaint, SEC was engaged in trade and commerce in the State of Illinois within the meaning of the Consumer Fraud Act by marketing, selling, and promoting electricity supply to Illinois residents.

RETAIL ELECTRIC SUPPLY INDUSTRY

15. Each public electric utility in Illinois has a defined service area and serves all consumers in that area. Traditionally, electric utilities provided both electric supply and the distribution service that delivers electricity to consumers.

16. The Illinois Commerce Commission reviews and approves the prices public electric utilities are permitted to charge eligible residential consumers for electric supply (the “default utility rate”). This default utility rate reflects the utility’s cost for purchasing the electricity.

17. Public electric utilities, like ComEd and Ameren, are the default suppliers of electricity to Illinois consumers. However, under the Illinois Electric Service Consumer Choice and Rate Relief Law of 1997, 220 ILCS 5/16-101 *et seq.*, consumers may choose to purchase their electric supply from an ARES rather than their default public utility. If a consumer decides to switch to an ARES, the consumer continues to pay the default public utility for *delivery* service but pays the ARES for the electricity itself.

18. Regardless of which entity the consumer selects as their supplier, the default public utility continues to deliver electricity to the consumer’s home.

19. Even if a consumer chooses an ARES for electric supply, the default public utility continues to bill and collect from the consumer the total of the supply charge (as set by the ARES), plus the delivery charge from the utility (which is approved by the ICC), and other incidental fees and taxes. The consumer continues to receive one bill from their default public utility, regardless of whether the utility or an ARES provides the electricity.

SEC'S FRAUDULENT BUSINESS PRACTICES

20. From at least October 2010 through December 2021, SEC contracted to provide telemarketing services for several ARES, including among others, Atlantic Home and Business, LLC; RPA Energy, Inc. d/b/a Green Choice Energy; Illinois Gas & Electric ("IG&E"); and Palmco Power, LLC d/b/a Indra Energy.

21. SEC has made hundreds of thousands of calls on behalf of ARES to Illinois consumers. In only a two-year span, between 2020 and 2021, SEC made at least 800,000 calls on behalf of ARES to Illinois residents.

22. SEC engaged in various unfair or deceptive acts or practices, including but not limited to the use of deception, fraud, false pretense, false promise, and misrepresentations, along with concealment, suppression, and omissions of material fact, and similar conduct that is unfair, has a tendency to deceive, and creates a likelihood of confusion or misunderstanding, with the intent that consumers rely on those misrepresentations, omissions, and other unfair or deceptive acts or practices.

Misrepresentations Regarding Savings

23. SEC routinely misrepresented to Illinois consumers the price of electricity rates in violation of 815 ILCS 505/2. SEC agents promised a guaranteed rate reduction or savings on the consumers' electricity rates through ComEd or Ameren.

24. Examples of those misrepresentations include the following:

- a. An SEC Agent, Sandy Alexander, calling on behalf of Atlantic Energy falsely told a consumer, Ms. Russell, that she would save money by switching to Atlantic. The SEC agent offered a rate of 6.9 cents per kilowatt hour for the first month followed

- by a fixed rate of 9.9 cents per kilowatt hour for the next 23 months. ComEd's rate during the time of SEC's offer was less than 8.3 cents per kilowatt hour.
- b. An SEC Agent, Jessica Gleason, calling on behalf of Atlantic Energy, began a call to a consumer, Vivienne, by claiming that the call was in response to the consumer's recent inquiry about how to save money on her electric bill. The SEC agent then stated that after a review of the consumer's ComEd account, the consumer was eligible for a rate reduction of 6.9 cents per kilowatt hour for the first month followed by a fixed rate of 9.9 cents per kilowatt hour for 24 months. ComEd's rate during the time of SEC's offer was less than 8.3 cents per kilowatt hour. When Vivienne rejected SEC's offer, the agent said: "I'll go ahead and note the account and leave you on the higher rate."
- c. An SEC agent, Ricky, calling on behalf of Atlantic Energy, told a consumer that she was eligible for a rate reduction of 6.9 cents per kilowatt hour for the first month followed by a fixed rate of 9 cents per kilowatt hour for 23 months. The consumer asked the SEC agent: "so are you trying to say that you are going to help save money on my electric bill." The SEC agent responded, "that is the plan." Later, the consumer reviewed her ComEd bill and discovered that her current ComEd rate was 5.8 cent per kilowatt hour.
- d. An SEC agent, calling on behalf of Atlantic Energy, asked a consumer, Hugh, "you don't want to save money on your electric bill" when the consumer became uninterested in the call. The consumer remained on the line, and the SEC agent offered him a rate of 9 cents per kilowatt hour for 24 months. ComEd's rate during the time of SEC's offer was less than 8.3 cents per kilowatt hour.

- e. An SEC agent, Jerry Matthews, calling on behalf of Atlantic Energy falsely stated that the consumer could receive a lower rate on her electric bill if she signed up for the energy choice program. The SEC agent offered a fixed rate of 9 cents per kilowatt hour while ComEd's rate was 5 cents per kilowatt hour.
- f. An SEC agent, Tiffany White, calling on behalf of RPA Energy told a consumer that the only reason RPA couldn't guarantee savings is because a consumer might have a massive increase in usage in a given month, but that otherwise the consumer would save money by switching to RPA Energy. This was false. The RPA Energy rate, 11.59 cents per kWh, was higher than ComEd's rate at the time. The SEC agent told the consumer that when he got the confirmation in writing, he should call her back, and she would show him exactly what he was saving. Ms. White also never disclosed the applicable ComEd price to compare at the time.
- g. An SEC agent, Christopher, calling on behalf of Indra Energy invited a consumer to switch from Ameren to get a "price protected rate." When the consumer asked if it would help save money, Christopher, said, "This will get you . . . yes. This will help you avoid any increases on the electric bill." This was false. The new "price protected" rate was higher than the applicable Ameren rate. Even worse, the Indra agent never disclosed the new "price protected" rate to the consumer.
- h. SEC agents, Rodney, Anthony, and Arthur Lee, calling on behalf of Indra Energy, informed consumers that Indra would provide electricity supply at a fixed rate of 0.089 cents per kilowatt hour. This was false. Indra was actually selling electricity at a fixed rate of 8.9 cents per kilowatt hour.

Misrepresentations about Affiliation with the Public Utility or Governmental Bodies

25. In an attempt to legitimize its predatory sales tactics, SEC repeatedly misrepresented an association with ComEd or Ameren, public utilities that consumers know and depend on to deliver their electricity. Stating or implicitly conveying an affiliation with ComEd or Ameren or a governmental body violates the CFA, 815 ILCS 505/2EE(b)(1)-(2) (prohibiting ARES from stating or implying that it represents, is endorsed by, or acting on behalf of a utility or utility program or governmental body). For example, in 2019, SEC agents, on behalf of IG&E, routinely misrepresented an affiliation with the utility by telling consumers they were entitled to a refund check on their electricity bill—referring to the consumer’s ComEd or Ameren bill.

26. SEC also misrepresented an affiliation with the utility companies by referring to a non-existent “postcard,” “insert,” or “message” included in the consumer’s utility bill that promised a rate reduction. Consumers regularly told SEC sales agents that they had never seen the referenced postcard, insert, or message. SEC trained its sales agents to respond by stating that many consumers had missed the insert or message. For example, SEC agent Kayla Bettarossi called multiple consumers on behalf of RPA Energy, informing them of an “insert or message” included with the consumer’s ComEd bill regarding price protection. Ms. Bettarossi told the consumer that “a lot” of customers did not see the message or insert and that was the reasons she was following up with a call.

27. Other examples of misrepresentations about an ARES’s affiliation with the utility provider include:

- a. An SEC sales agent, Christina, calling on behalf of Atlantic Energy told a consumer that he had received an insert in his bill regarding a rate reduction that he was eligible to receive.

- b. Another SEC agent, Jane Jenkins, said that she was calling about an insert or message printed on the consumer's ComEd bill regarding a rate reduction on the account that the consumer was now going to receive by participating with a supplier and energy choice.
 - c. An SEC sales agent, Desiree Peacock, calling on behalf of Atlantic Energy told a consumer that they should have received an insert on their bill regarding their eligibility for a program to ensure that the consumer would "avoid" any rate increases.
 - d. Another SEC agent, Emily, referenced the fake insert in the ComEd bill and then told the consumer she would receive a competitive variable rate just like the consumer received with ComEd.
 - e. SEC agents on behalf of IG&E routinely called consumers and told them about a fictitious postcard regarding an electricity refund check on their bill. *See infra* ¶¶ 35-39 and ¶ 41.
28. SEC agents also made misrepresentations about an ARES's affiliation with a governmental body:
- a. An SEC sales agent, Christina, calling on behalf of Atlantic Energy told a consumer that "utilities in Illinois had put together the 'state's choice' program for the consumer's benefit." Continuing, the agent said that she was calling to "facilitate" enrollment in the program, which was available to "ComEd and its consumers."
 - b. An SEC sales agent calling on behalf of Atlantic Energy promised a consumer that she would "save money" in the "energy choice" program.

- c. Another SEC agent, Emily, informed the consumer, “Right now your state has an energy choice program going on, and they are trying to get you to pick a supplier on your bill. . . .”

29. Nothing in Illinois law entitles consumers to reductions on their electricity bills. While the deregulation of the utility market in 1997 allows Illinois consumers to choose their electric supplier, there is no state or energy “program.” 220 ILCS 5/16-101 *et seq.*

Failure to State the Purpose of the Call or Obtain Consumers’ Consent to Telemarketing Solicitations as Required by the Telephone Solicitations Act

30. The TSA requires telemarketers to “state the purpose of the call” and to “inquire at the beginning of the call whether the person called consents to the solicitation.” 815 ILCS 413/15(b)(1)-(2).

31. SEC knowingly and intentionally made calls to consumers without stating the purpose of the call and requesting consent to continue with the solicitation. Indeed, it directed its sales agents to make illegal phone calls by providing them scripts that did not explain to consumers the purpose of the call or request consumer consent to continue with the solicitation.

32. In fact, in all but one of the SEC telemarketing scripts that Plaintiff has reviewed, SEC failed to direct its sales agents to request consumer consent at the outset of the phone call. In thousands of other SEC telemarketing recordings, Plaintiff did not hear one SEC agent obtain, let alone request, consent from consumers to proceed with the solicitation.

33. SEC sales agents consistently jumped right into their sales pitch, with no regard for whether the solicitation was consensual.

Additional Examples of SEC’s Unlawful Practices

34. On an August 30, 2019 recorded telemarketing call, an SEC agent on behalf of IG&E called Mr. T., asking to “speak to the person handling the ComEd, it’s the electric account.”

The agent did not ask for, and did not receive, consent to solicit. The reason for the call, the agent explained, was “we’re following up on the information sent out to you regarding a refund check that you’re now entitled to receive on your electric bill. It’s part of your state’s energy choice program. Did you get a chance to read any of that information?” When Mr. T. said he “didn’t get nothing in the mail about that,” the agent deceptively told him: “We’re finding a lot of customers overlooking it.” More specifically, the agent said the mailer “stated that as of your next meter reading with Illinois Gas & Electric as your supplier on your ComEdison account, you’re now qualified to receive a refund check in the month of March [2020] for your November 2019 electric supply charges, up to \$500 per account.” The agent also offered Mr. T. “price protection on the account.” The agent misrepresented the purpose of the call as applying a benefit to Mr. T.’s ComEd account, a benefit to which he was “entitled” and which had “been available for quite some time,” rather than the true purpose of the call, which was to switch Mr. T.’s electric supplier. The agent said it’s “our job to help you with that.” In order to “help” Mr. T., the agent “need[s] to verify the ComEdison account.” The agent said there “are steps that I have to follow” since “[i]t is a state program.” The agent enrolled Mr. T. in a fixed rate of 8.8869 cents per kilowatt hour for 12 months but did not disclose to Mr. T. that this rate was higher than the rate ComEd had charged since at least June 2011, the earliest date for which ComEd’s rate data is publicly available. The agent told Mr. T. that if he canceled “you’re going to get deferred back to that higher potentially increasing rate” from ComEd. Mr. T. bluntly asked: “So I’m going to get a discount on my bill?” The agent directly responded: “Correct.” The agent once again concealed that he was fundamentally changing Mr. T.’s relationship with ComEd by switching his electric supplier to IG&E: “It doesn’t affect anything. It doesn’t affect anything on your bill or any current agreements that you have with ComEdison. You’re just listing a – you’re just listing a supplier and enrolling in the state’s

energy choice program.” The agent further misrepresented: “Keep in mind, the program is ComEdison’s program and you’ll remain with ComEdison.” The agent did not disclose a \$4.95 monthly service fee.

35. On a September 11, 2019 recorded telemarketing call, an SEC agent on behalf of IG&E called an unidentified consumer, asking “to speak with the person that handled the ComEd bill.” The agent did not ask for, and did not receive, consent to solicit. The agent said he was “just following up on a postcard that was sent out to you regarding a refund check that you’re now entitled to receive on your electric bill.” When asked if he recalled receiving such a postcard, the consumer said no. The agent suggested the consumer “overlook[ed]” a postcard that, in reality, did not exist: “Well, we are finding out that a lot of customers overlook the information just thinking it was junk mail and threw it out, and that’s why we give you follow-up calls.” The agent leaned on this fictitious postcard, as well as a fictitious state “program,” to make his pitch: “Now, what that postcard stated is, at your next meter reading with Illinois Gas & Electric as your supplier in the state’s choice program, you now qualify to receive a refund check in – in March for your November 2019 electric supply charges, up to \$500 per utility account.” The agent also offered “price protection on the account for the next 12 months to avoid any upcoming rate increases on your utility bills.” This offer, which the agent misrepresented as a ComEd benefit program rather than an offer to switch electric suppliers, “has been available to you for quite some time” but “it’s not applied automatically.” The agent then suggested he was applying a benefit to the consumer’s ComEd account: “[I]t’s now become my job to help facilitate this for you today.” The agent falsely suggested private suppliers were better positioned to provide savings: “[T]hey [i.e., utilities] don’t care what they pay for the electric that you’re using, and a supplier does.” Then the agent made a savings claim: “You know, and why pay more for the same electric that – that they’ve [i.e.,

utilities] got to buy off the open market like we do?” The agent offered a 12-month fixed rate of 8.69 cents per kilowatt hour—nearly 2 cents higher than ComEd’s rate and more than ComEd had charged in over 6.5 years. The agent admitted he didn’t “know what you’re paying right now.” And he was right. The consumer did not reveal whether he was currently getting his supply from ComEd or another ARES. But then, moments later, after a review of the consumer’s bill seemed to reveal that he was paying a lower rate, the agent declared, without any way of knowing, that the consumer was “on a variable rate” that was “only for that month.” The agent misrepresented the variability of ComEd’s rate: “With your utility company, they go shopping around, with natural disasters or anything that – when it goes skyrocketing, you know, historically speaking it’s done it in the past plenty of times, you might get stuck paying a high amount per kwh.” The agent misleadingly claimed ComEd’s rate was particularly low at present and would rise in order to suggest that paying 8.69 cents per kilowatt hour to IG&E, for 12 straight months, was a good deal: “Right now it’s very, very cheap, and that won’t last.” ComEd’s rate had ranged from 5.0 to 8.0 cents per kilowatt hour since June 2013; the nearly 7 cents per kilowatt hour the agent said the consumer was currently paying was not an historically low rate. In the 21 months following this call in September 2019, ComEd’s rate ranged from to 6.51 to 7.57 cents per kilowatt hour—well below IG&E’s fixed rate of 8.69 cents per kilowatt hour. The agent did not disclose a \$4.95 monthly service fee.

36. On an August 22, 2019 recorded telemarketing call, an SEC agent on behalf of IG&E contacted Ms. S., asking “to speak to the person handling the Ameren electric bill.” The agent, who did not ask for and did not receive consent to solicit, said he was “[j]ust following up on a postcard that was sent out to you regarding a refund check you are now entitled to receive on your electric bill.” Ms. S. said she was paying Ameren, so “[w]hy would I start with paying you?”

The agent responded by misrepresenting the purpose of the call: “We’re just applying a few benefits to your account. That’s all.” The agent asked for Ms. S.’s account number, and proceeded to attempt to enroll her, before disclosing what “benefit” IG&E was offering her. In fact, the agent never disclosed the new rate, whether the new rate was fixed or variable, and if fixed the length of the term. Ms. S. was wary of revealing her account number. “You can trust me, ma’am,” the agent tells her. “It’s—it’s—it’s nothing that can hurt you. It will only benefit you, ma’am.” The agent misrepresented that the utility’s rate could rise every month: “[Y]ou wouldn’t want to cancel since you would defer to a rate that can potentially increase every month.” Ms. S. asked the agent if he was going to change her supplier. “No, no, no, you’re not changing,” the agent said. “[Y]ou’re going to remain with Ameren. Everything is going to stay the same.” The agent did not disclose a \$4.95 monthly service fee.

37. On an August 22, 2019 recorded telemarketing call, an SEC agent on behalf of IG&E called Ms. C., and asked to “speak to the person that handles the Ameren electric bill.” The reason for the call, the agent explained next, is to “follow[] up on a postcard, ma’am, that was sent out to you regarding a refund check you’re now entitled to receive on your electric bill.” The agent did not ask for, and did not receive, consent to solicit. The agent told Ms. C. the postcard “was from Illinois Gas & Electric” and was “an insert that was in your Ameren electric bill.” Ms. C. did not recall receiving the postcard. “Well, that’s okay, ma’am,” said the agent, “we’ve found that a lot of customers, they overlook the information. They think it’s junk mail, and they throw it out, but that’s why we do the follow-up call, ma’am.” The agent explained what the postcard, which IG&E never sent and did not actually exist, supposedly offered: “[A]s of your next meter reading with Illinois Gas & Electric as your supplier in the state choice program, you now qualify to receive a refund check in March for your November 2019 electric supply charges, up to \$500 per utility

account, meaning free electric for the month of November. And additionally, you will start to receive price protection on the account for the next 12 months to avoid any upcoming rate increases on your utility bill. And this has been available to you for some time now. However, it's not applied automatically, ma'am." IG&E offers to "protect" Ms. C. at a "low rate" of 6.09 cents per kilowatt hour for 12 months. Ameren's rate was 4.3 cents per kilowatt hour. The agent promised Ms. C. that if she enrolled, she "won't pay" the "delivery fee" that appeared on her current electric bill, even though, in fact, consumers who switched to alternative suppliers still paid the delivery fee. The agent then misrepresented the \$4.95 per month service fee IG&E (not Ameren) charged its consumers: "And this rate is all inclusive, but it did not include Ameren's standard distribution costs – taxes, which is 4.95."

38. On an August 22, 2019 recorded telemarketing call, an SEC agent on behalf of IG&E called Mr. R. asking to "speak to the person who handles the ComEd electric bill." The agent did not ask for, and did not receive, consent to solicit. The agent said he was "following up on a postcard that was sent out to you regarding a refund check you are now entitled to receive on your electric bill." Mr. R. did not recall receiving the postcard, and the agent misleadingly reassured him that "we're finding a lot of customers may have overlooked that, but that's why we do the follow-up call." "What that postcard stated is," the agent continued, "as of your next meter reading with Illinois Gas & Electric as your supplier in the state's choice program, you now qualify to receive a refund check in March for your November 2019 electric supply charges," as well as "price protection on the account for the next 12 months to avoid any upcoming rate increases on your electric bill." The agent misleadingly suggested Mr. R. would be enrolling in a generally available ComEd benefit program rather than switching his electric supplier: "Now, this has been available to you for some time now. However, it's not applied automatically . . . it's become my

job to help you with this today.” The agent needed to “verify the account number” in order to “apply this to the correct account.” By enrolling in the “program,” the agent said to Mr. R., you will be “telling ComEd to get your energy from us instead of them purchasing it on the open market, at the higher open market rates.” The agent locked in Mr. R. at a 12-month fixed rate of 8.69 cents per kilowatt hour, effectively guaranteeing that he would pay considerably more for his electricity than if he received his supply from ComEd. The agent misrepresented the variability of ComEd’s rate: “[Y]ou wouldn’t want to cancel since you would defer to a rate that could potentially increase *every month*.” (emphasis added). The agent misleadingly suggested Mr. R. was merely enrolling in a ComEd benefit program somehow featuring IG&E rather than severing his supply relationship with ComEd and switching to a private supplier: “Now, the *only difference* or change you will notice is in the supply section of the bills, and that’s where you’ll see Illinois Gas & Electric’s name showing the benefits have been applied to the account to avoid any monthly rate increases on your electric bill for the next 12 months.” (emphasis added). The agent did not disclose a \$4.95 monthly service fee.

39. On a September 11, 2019 recorded telemarketing call, an SEC agent on behalf of IG&E called Mr. O. asking to “speak with the person that handles your ComEd bill.” The agent did not ask for, and did not receive, consent to solicit. The agent said she was “just following up on a postcard that should have been sent out to you regarding a refund check that you’re now entitled to receive on your electric bill.” Mr. O. was skeptical: “[H]ow do I know that this is not a scam?” In response, the agent misleadingly suggested that it would not be possible for her to scam him: “[T]here’s nothing that we could inquire from you that would allow us to scam you, sir. I’m – I’m just being honest . . . The only thing you can do with your account number is pay your bill. That’s the only thing we can do with your account number, sir, and give you the price protection

and the refund that you're entitled and deserve, sir, okay?" An ARES telemarketer *can* illegally switch a consumer's supplier once they have the consumer's utility account number. The agent misleadingly suggested Mr. O. was enrolling in a free benefit program rather than switching his supplier and locking in a monthly price increase: "So just to let you know, there is no fee to enroll in this program." The agent then admitted she would be staying on the line during the third-party verification in violation of 815 ILCS 505/2EE(B) ("[A] supplier or supplier's sales representative initiating a 3-way conference call or a call through an automated verification system must drop off the call once the 3-way connection has been established."). The SEC agent said, "It's going to sound like I'm hanging up, but trust and believe I'm on the line . . . Just wait until the end. I'll still be on the line." At no point during the solicitation did the agent disclose Mr. O.'s new rate or a \$4.95 monthly service fee.

40. On an August 22, 2019 recorded telemarketing call, an SEC agent on behalf of IG&E called an unidentified consumer asking to "speak with the person that handles the Ameren bill." The agent did not ask for, and did not receive, consent to solicit. "Are you one of the scams?" asked the consumer. The agent responded: "[W]e actually help – help you save money, not spend money." The real "scam," said the agent, "is that Ameren is charging you 40 percent to pick out your supplier for you. That's the scam, okay?" The agent falsely stated: "If you like somebody not giving you a rate upfront and you just being subjected to the open market, then go ahead and stick with that and also charging you 40 percent to generate your power from the supply company they pick out for you on the open market to their facility." The consumer said she "would just prefer to stay with Ameren." The agent misrepresented that Ameren could not supply electricity: "Ameren has never supplied your power bill." The agent then misrepresented IG&E's role: "So now let me explain what we do here. So Franklin D. Roosevelt stopped monopolies a long time ago. So the

bottom line is, Ameren can never, will never by law be able to supply or produce your power. What they do is they go purchase it on the open market. Unlike suppliers, they have no right to monitor the market, whenever they read your meter, they have to take whatever your meter reading is, purchase the power. It's a crap shoot. It not really about saving money, and people don't realize that." IG&E saves customers money, the agent said: "Yes, you do save money in the run, too." The agent suggested the consumer was enrolling in Ameren's free benefit program rather than switching her supplier from Ameren to IG&E: "[I]t's free. It doesn't cost you anything to enroll . . . It's called the utilities choice program, okay?" The agent again promised savings as compared to Ameren: By sticking with Ameren, the consumer was "literally giving them 40 percent of your supply every time they pick out your supplier." The agent then encouraged the consumer to avoid variable rates (which IG&E also charges): "Do not stay on the open market with any supplier on a variable rate . . . And if you stay on a month-to-month variable, your rates, I'm going to be the first one to tell you, as suppliers, they will jack up your rates." At no point during the 16 minute and 41 second call did the agent disclose the new rate or a \$4.95 monthly service fee.

41. On an August 30, 2019 recorded telemarketing call, an SEC agent on behalf of IG&E agent called Ms. D. "about your ComEd electric bill." The agent did not ask for, and did not receive, consent to solicit. The agent said she was "following up on a postcard that we sent out to you guys regarding a refund check that you're entitled to receive on your upcoming November 2019 supply charges." Ms. D. would receive this refund "after enrolling in the state's choice program." Ms. D. said she did not know what the "state choice program" was. So the agent offered this misleading description of the fictitious "program": "So the state choice program, they – ComEd, your utility company, participates in it. Because they don't produce the electricity that they deliver into your home, you are able to tell them where to get the supply from. And then that

way they won't be going out on the open market every single month to purchase your electricity. Because then you're at the mercy of whatever price that they pay." The agent urged Ms. D. to enroll in order to save money: "We're going to be able to give you a low fixed rate." In asking for Ms. D.'s account number, the agent made it seem as though she was enrolling Ms. D. in a ComEd benefit program rather than switching her supplier from ComEd to a private company, IG&E, that competed with ComEd to supply electricity: "In order to get the benefits applied, I have to enter them [i.e., the account numbers] into the computer." The agent continued to push this misleading claim that Ms. D. was merely enrolling in a ComEd benefit program: "This doesn't affect your relationship with your utilities." IG&E is merely "providing you with price protection," said the agent. Ms. D.'s new fixed rate, which the agent earlier described as "low," was 8.69 cents per kilowatt hour. That new rate was 29% higher than the ComEd rate. Since June 2011, ComEd's rate had reached this IG&E rate only 3 times. Ms. D. would be paying this purported "price protected" rate each month for 12 months. The call ended with the agent admitting she would be listening in during the third-party verification: "At the end – remember, I will be listening, so I will chime in when they are finished with you."

COUNT ONE

Violations of Section 2EE of the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2EE

42. Plaintiff restates and realleges the foregoing paragraphs as if fully stated and alleged herein.

43. Section 2EE of the Consumer Fraud Act, 815 ILCS 505/2EE, specifically addresses fraud by electricity service providers or third-party vendors like SEC.

44. SEC violated Section 2EE of the Consumer Fraud Act by misrepresenting an affiliation with ComEd or Ameren, and the State.

45. Section 2EE of the Consumer Fraud Act states, “[a]n alternative retail electric supplier shall not utilize the name of a public utility in any manner that is deceptive or misleading, including, but not limited to implying or otherwise leading a consumer to believe that an alternative retail electric supplier is soliciting on behalf of or is an agent of a utility.” 815 ILCS 505/2EE(b)(1).

46. Section 2EE of the Consumer Fraud Act further provides that, “[a]n alternative retail electric supplier shall not state or otherwise imply that the alternative retail electric supplier is employed by, representing, endorsed by, or acting on behalf of a utility or utility program[.]” 815 ILCS 505/2EE(b)(2).

47. As detailed above in paragraphs 25-28, SEC explicitly stated or implicitly conveyed it was affiliated with ComEd, Ameren, and a state-sponsored electricity program to lure consumers into trusting its sales pitch and switching to an ARES.

48. SEC agents falsely represented an affiliation with the utility when they told consumers they were calling to follow up on a non-existent “insert,” “postcard” or “message” included in the consumer’s electricity bill that explained their eligibility for a money saving program.

49. Wherefore, Plaintiff prays that this honorable Court:

- a. Finding that Defendant committed unfair or deceptive acts or practices in the conduct of trade or commerce in violation of Section 2 of the Consumer Fraud Act;
- b. Preliminarily and permanently enjoining Defendant from engaging in any unlawful practices under Section 2 of the Consumer Fraud Act as alleged herein, including but not limited to a permanent injunction barring Defendant from engaging in the sale of electric supply in or from the State of Illinois;
- c. Revoking all licenses, charters, franchises, certificates, or other evidence of authority of Defendant to do business in the State of Illinois;
- d. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendant’s violations of the Consumer Fraud Act, including but not limited to, restitution, rescission of contracts entered into between the

Defendant and Illinois consumers, the refund of monies paid, and the disgorgement of ill-gotten monies;

- e. Ordering Defendant to pay a civil penalty of \$50,000 per unfair or deceptive act or practice, and an additional amount of \$50,000 for each act or practice found to have been committed with intent to defraud, as provided by Section 7(b) of the Consumer Fraud Act;
- f. Ordering Defendant to pay a civil penalty of \$50,000 for each violation against an elderly consumer, defined as a person 60 years of age or older as provided in Section 2FF of the Consumer Fraud Act;
- g. Ordering Defendant to pay a civil penalty of \$50,000 for each violation against a person with a disability as provided in Section 2FF of the Consumer Fraud Act, 815 ILCS 505/2FF(2);
- h. Ordering Defendant to pay all costs for the prosecution and investigation of this action, as provided by Section 10 of the Consumer Fraud Act; and
- i. Provide such other and further equitable relief as justice and equity may require.

COUNT TWO

Violations of Section 2 of the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2

50. Plaintiff restates and realleges the foregoing paragraphs as if fully stated and alleged herein.

51. While engaged in trade or commerce, SEC committed unfair or deceptive acts or practices declared unlawful by Section 2 of the Consumer Fraud Act, with the intent that consumers rely on them, by engaging in the following acts or practices:

- a. making misrepresentations about the price of electricity rates, SEC agents falsely promised savings on the consumers' electricity rates through ComEd or Ameren, as detailed above in paragraphs 23-24;

- b. referring to a non-existent “insert,” “postcard” or “message” included in the consumer’s electricity bill that guaranteed a rate reduction, as described in paragraphs 26-27;
- c. making misrepresentations regarding a state-sponsored program that offered savings on utilities, as described in paragraph 28.

52. Wherefore, the Plaintiff prays that this honorable Court:

- a. Finding that Defendant committed unfair or deceptive acts or practices in the conduct of trade or commerce in violation of Section 2 of the Consumer Fraud Act;
- b. Preliminarily and permanently enjoining Defendant from engaging in any unlawful practices under Section 2 of the Consumer Fraud Act as alleged herein, including but not limited to a permanent injunction barring Defendant from engaging in the sale of electric supply in or from the State of Illinois;
- c. Revoking all licenses, charters, franchises, certificates, or other evidence of authority of Defendant to do business in the State of Illinois;
- d. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendant’s violations of the Consumer Fraud Act, including but not limited to, restitution, rescission of contracts entered into between the Defendant and Illinois consumers, the refund of monies paid, and the disgorgement of ill-gotten monies;
- e. Ordering Defendant to pay a civil penalty of \$50,000 per unfair or deceptive act or practice, and an additional amount of \$50,000 for each act or practice found to have been committed with intent to defraud, as provided by Section 7(b) of the Consumer Fraud Act;
- f. Ordering Defendant to pay a civil penalty of \$50,000 for each violation against an elderly consumer, defined as a person 60 years of age or older as provided in Section 2FF of the Consumer Fraud Act;
- g. Ordering Defendant to pay a civil penalty of \$50,000 for each violation against a person with a disability as provided in Section 2FF of the Consumer Fraud Act, 815 ILCS 505/2FF(2);
- h. Ordering Defendant to pay all costs for the prosecution and investigation of this action, as provided by Section 10 of the Consumer Fraud Act; and
- i. Provide such other and further equitable relief as justice and equity may require.

COUNT THREE

Violations of the Telephone Solicitations Act, 815 ILCS 413/1 *et seq.*

53. Plaintiff restates and realleges the foregoing paragraphs as if fully stated and alleged herein.

54. The TSA provides that “[v]iolation of any of the provisions of this Act is an unlawful practice under Section 2Z of the Consumer Fraud and Deceptive Business Practices Act. All remedies, penalties, and authority granted to the Attorney General by that Act shall be available to him for the enforcement of this Act.” 815 ILCS 413/25(e).

55. A knowing violation of the TSA is an unlawful practice under Section 2Z of the Consumer Fraud Act, 815 ILCS 413/25(e) and 815 ILCS 505/2Z.

56. Defendant initiated, or directed its agents to initiate, “telephone solicitation[s],” as defined in the TSA, 815 ILCS 413/5, to Illinois consumers.

57. Section 15 of the TSA, 815 ILCS 413/15, requires telemarketers to immediately state, among other things, the “purpose of the call.” 815 ILCS 413/15(b)(1). Section 15 further requires telemarketers to “inquire at the beginning of the call whether the person called consents to the solicitation.” 815 ILCS 413/15(b)(2).

58. As detailed above in paragraphs 30-33, SEC knowingly solicited consumers without stating, at the beginning of the phone call, the purpose of the call and without inquiring whether the person called consented to the solicitation.

59. SEC’s practices described herein constituted violations of Section 15 of the TSA, 815 ILCS 413/15, as well as Section 2Z of the Consumer Fraud Act, 815 ILCS 505/2Z.

60. Wherefore, the Plaintiff prays that this Honorable Court:

- a. Preliminarily and permanently enjoining Defendant from engaging in any unlawful practices under the Telephone Solicitations Act as alleged herein,

including but not limited to a permanent injunction barring Defendant from engaging in the sale of electric supply in or from the State of Illinois;

- b. Revoking all licenses, charters, franchises, certificates, or other evidence of authority of Defendant to do business in the State of Illinois;
- c. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendant's violations of the Telephone Solicitations Act including but not limited to, restitution, rescission of contracts entered into between the Defendant and Illinois consumers, the refund of monies paid, and the disgorgement of ill-gotten monies;
- d. Ordering Defendant to pay a civil penalty of \$50,000 per unfair or deceptive act or practice, and an additional amount of \$50,000 for each act or practice found to have been committed with intent to defraud, as provided by Section 7(b) of the Consumer Fraud Act;
- e. Ordering Defendant to pay a civil penalty of \$50,000 for each violation against an elderly consumer, defined as a person 60 years of age or older as provided in Section 2FF of the Consumer Fraud Act;
- f. Ordering Defendant to pay a civil penalty of \$50,000 for each violation against a person with a disability as provided in Section 2FF of the Consumer Fraud Act, 815 ILCS 505/2FF(2);
- g. Ordering Defendant to pay all costs for the prosecution and investigation of this action, as provided by Section 10 of the Consumer Fraud Act; and
- h. Provide such other and further equitable relief as justice and equity may require.

Respectfully submitted,
THE PEOPLE OF THE STATE OF
ILLINOIS, BY KWAME RAOUL,
Attorney General of the State of Illinois

Dated: May 8, 2024

By: /s/ Susan N. Ellis
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