

Wednesday, December 14, 2005

T-MOBILE PAYS \$135,000 TO SETTLE CITY'S LAWSUIT FOR DECEPTIVE ADS

New York, N.Y. -- New York City Department of Consumer Affairs (DCA) Acting Commissioner Jonathan Mintz today announced T-Mobile USA, Inc. paid the City \$135,000 and agreed to fully comply with the City's Consumer Protection Law. The settlement follows the agency's lawsuit charging consumers were misled through deceptive cell phone advertisements.

Jonathan Mintz, DCA Acting Commissioner, said: "We're pleased that T-Mobile has committed to full compliance and done right by consumers. New York City law prohibits companies from running advertisements that promise great deals in the headlines only to take them away in the fine print. We're another step closer to ensuring consumers purchasing wireless products from all companies will be protected."

The DCA filed suit in July 2005 against three major wireless companies - T-Mobile U.S.A., Nextel Communications Inc., and Sprint Spectrum L.P. - in New York Supreme Court for pitching cell phone products and services in deceptive advertisements that misled consumers. Nextel and Sprint have since merged and continue in litigation.

In its lawsuit, the DCA charged that T-Mobile's advertisements were both confusing and misleading. The agency believed the disclosures made in the advertisements contradicted the company's principal offer.

The New York City Consumer Protection Law requires the type size used in print ads to be clear and conspicuous to the reader in order to avoid deceptive and unfair trade practices. It prohibits practices that have the capacity, tendency, or effect of deceiving or misleading consumers.

In 2004, the DCA also pursued claims against AT&T Wireless (since acquired by Cingular Wireless LLC), Cingular Wireless, and Verizon Wireless for deceptive advertising, but those companies settled without litigation and agreed to fully comply with the New York City Consumer Protection Law in their marketing.

The attorneys handling the cases for the DCA and the City are Marla Tepper, DCA General Counsel, Susan Kassapian, DCA Assistant Commissioner for Litigation and Mediation, Mark Davis, DCA Staff Counsel, Gabriel Taussig, Chief, New York City Law Department's Administrative Law Division, and Sheryl Neufeld, Senior Counsel, New York City Law Department's Administrative Law Division.

The DCA conducts inspections at electronics stores - including cell phone stores - citywide and accepts complaints on cell phone billing disputes and advertising. Fostering a marketplace where consumers are protected and businesses can thrive, the DCA licenses more than 60,000 businesses in 55 different categories in New York City. To file a complaint or to request a free copy of the DCA *Consumer Advertising Guide*, call 311 or visit DCA online at www.NYC.gov/consumers.