



## **PRESS RELEASE**

Colorado Department of Law  
Attorney General Cynthia H. Coffman

## **FOR IMMEDIATE RELEASE**

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### **Colorado Attorney General Cynthia H. Coffman Announces \$11.1 million Judgment against Subscriber Services, Inc. Telemarketing Scam**

DENVER – The District Court for the City and County of Denver recently ordered David Keown and his company, Subscriber Services Inc., to pay approximately \$11.1 million in restitution, unjust enrichment, and penalties in connection with a telemarketing scam. Subscriber Services closed their doors in early 2015, after the Court entered a Temporary Restraining Order that barred them from engaging in deceptive trade practices. Subscriber Services and Keown are now barred from conducting magazine solicitations or collections in Colorado. At least 47,000 consumers lost money to this scheme during the timeframe September 2010 through September 2014.

“Stopping scammers like Keown and Subscriber Services creates a safer environment for Colorado consumers,” said Attorney General Cynthia H. Coffman. “The conduct in this case was egregious. In one case, the perpetrators denied fourteen requests by an 83-year old woman to close her account, and refused to work with another consumer unable to pay his medical bills because Defendants’ monthly withdrawals from his bank account were so high. It is justice that Keown and Subscriber Services were ordered to pay for their fraud and are permanently banned from magazine telemarketing.”

Subscriber Services sent postcards and text messages to consumers that urged them to call a 1-800 number about an “unclaimed reward.” Subscriber Services’ telemarketers claimed to be with the “Redemption Center,” but their true goal was to sell magazines. The telemarketers told consumers they would receive a \$250 gift voucher and three free magazine subscriptions if they purchased just one subscription at a reduced rate.

Using a clever and misleading script, the telemarketers duped consumers into a fake “oral contract” for magazines that cost up to \$1,300 for four multi-year magazine subscriptions. And instead of a \$250 gift voucher, consumers received information about a “rebate program.” Defendants stacked the rebate program with a mountain of complex and onerous terms and conditions to ensure that consumers would receive little if any money through the rebate program. Once consumers had ordered the magazines, Subscriber Services refused to cancel and aggressively collected on the supposed “oral contract.”

Subscriber Services had been in business in the Denver area since 1995. Marsha Ness, who rose to become Subscriber Service’s General Manager during this time period, was also enjoined from further magazine telemarketing and collections, and was held jointly and severally liable for \$500,000 of the civil penalties portion of the judgment.

Consumers who believe they have been the victim of telemarketing fraud or who wish to report suspicious activity may file a report [here](#) or may call 1-800-222-4444.

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