

BBB Uncovers Business Loan Scheme

It all started with an anonymous email sent to BBB last May. The message indicated Prime One Capital was accepting thousands of dollars in advance fees to acquire business capital but never came through with promised funds. Following this tip, BBB began to investigate the company. We found conflicting reports of the company's longevity and vague claims of its success as a private equity firm.

BBB determined the company's website (primeonecapital.com) was created in February, 2010 – the same time it filed with the Ohio Secretary of State as a Limited Liability Company. Press releases, however, posted online by Prime One Capital made it appear the company had been in business for at least several years. One release dated May, 2010, cited J. Peterschmidt as the company's "...chief executive since he joined (the company) in 2000." It also noted, "Prime One Capital has more than doubled its money from its seventh fund closed in 2002." BBB was unable to locate a single public reference to a J. Peterschmidt or any of several other executives named in company press releases.

BBB sent requests to Prime One Capital in order to develop information on the company's history, officers and services, but received no response until we began reporting the company as an advance fee loan business with an "F" rating. A caller identifying himself as Henry Glassman claimed Prime One Capital was in the marine salvage industry. The caller ID information, however, showed the caller was John Keenan.

John Keenan was identified in BBB files with several other Cleveland-area businesses that also took advanced fees for business loans - Pyramid Sun, Livingston, Collins and Cohen, and Commercial Equity Management. All are believed to be out of business.

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Students of Integrity Announced

BBB Honors Area High School Seniors with Scholarships at Annual Meeting

The Better Business Bureau presented its Students of Integrity Awards at its December 7th Annual Meeting to four Greater Cleveland high school students who personify integrity through their leadership, community service, academics, and strong character ethics.

A total of 45 public and private high schools in the BBB's five county service area each nominated one student to compete for awards.

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Greater Cleveland BBB Activity Report January - November 2011

Service to the Community

Reports issued on companies/charities.....	787,299
Customer complaints filed.....	10,220
Lists of BBB Accredited Businesses provided by industry.....	79,163
www.cleveland.bbb.org visits.....	695,071
Advertising review cases initiated.....	251

Top 10 Inquiry-Generating Industries

1. Roofing Contractors
2. Mortgage Brokers
3. Construction & Remodeling Services
4. General Contractors
5. Collection Agencies
6. Health & Medical (General)
7. Auto Repair & Services
8. Plumbing Contractors
9. Auto Dealers - New Cars
10. Auto Dealers - Used Cars

Top 10 Complaint-Generating Industries

1. Insurance Companies
2. Auto Dealers - Used Cars
3. Roofing Contractors
4. Auto Dealers - New Cars
5. Collection Agencies
6. Auto Repair & Service
7. TV, Cable, & Satellite
8. Manufacturers & Producers
9. Mail Order & Catalog Shopping
10. Banks

INSIDE

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B2B Discounts for You

BWC Increases Worker's Comp Discounts

For the first time in several years, the maximum discounts offered to participants in workers compensation group rating pools will INCREASE. Last year's maximum discount was 65%, but was then offset by a BWC "break-even factor" that reduced the effective max rate to 51%. In November, the BWC Board of Directors approved a proposal to set the maximum group rating discount to 53% and eliminate the break-even factor. As a result of the approved proposal, the maximum discount for an Ohio private employer has increased from 51% in 2011 to 53%. The approved changes are effective immediately and will impact the 2012 Policy Year beginning July 1, 2012.

There's no better time to get a group rating proposal from the Ohio BBB program, administered by Sheakley. See how much you can save. Through the years, the BBB program's savings discount projections have been extremely accurate, and our group's size enables us to form more discount "tiers," so you get the discount you deserve. To obtain a no-obligation BBB group rating proposal, contact Laura Fitzgerald at (216) 623-8964 x107 or mybbb@cleveland.bbb.org.

Add Your Accredited Business Seal to Your Facebook Page!

Contact mybbb@cleveland.bbb.org

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Grand winner, Lisa Combs of Cuyahoga Heights High School, accepts her award from Anne Bomar, Senior Vice President & General Manager of Dominion East Ohio Gas.

An independent selection committee selected four award winners. Three received scholarships of \$1000 to an accredited school/college of their choice, and a fourth student was awarded a \$2500 scholarship.

Lisa Combs, a senior at **Cuyahoga Heights High School**, was selected as the \$2500 scholarship winner. "All I want to do is make a difference." she writes in her essay. "...But all of that has to start with making myself a better person...Having good character has helped me to look at that person in the mirror and feel good about what I see. To me, this is where the difference begins, inside."

Winners of the \$1,000 scholarship were **Joseph Egan** of West Geauga High School, **Lauren Pugh**, Perry High School, and **Timothy Rosenberger** of Lutheran High West. (See full text of winner essays and names of eleven additional Honorees at cleveland.bbb.org/studentsofintegrity).

BBB thanks sponsors **Dominion** and **John Carroll University** as well as supporters **Easton**

Telecom Services, Benesch Law Firm, Sheakley, and Apprisen/Consumer Credit Counseling Service. BBB also thanks **VoicePro, Absolute Roofing & Construction, Inc., Holland Paving, Choice Relocation Management LLC, and Apprisen/CCCS** for funding the BBB Annual Meeting which drew 160 attendees, and also featured comments by Plain Dealer Columnist Teresa Murray. ☐



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A search of Ohio Attorney General records on Prime One Capital revealed complaints filed by businesses in four states all claiming to have paid tens of thousands of dollars in advance fees for business loans that never materialized.



A Cleveland company named Equvest generated similar complaints in 2010, and is believed to be related to Prime One Capital. Equvest's home page shows a photo of "Harvinder Singh, Managing Partner." BBB found the identical photo on iStock, a site that offers stock images for sale. (see images at left)

Prime One Capital never provided the information requested by BBB. When pressed to substantiate claims made in press releases and clarify John Keenan's affiliation, the firm's attorney responded that it would not continue a dialog with our office.

As this newsletter went to press, BBB confirmed with FBI that Prime One Capital is being investigated. A business owner from New Jersey who paid \$32,000 in advance fees told BBB that FBI agents visited his office seeking information. We will update this story as it unfolds.

Businesses do not have the same protection as consumers when it comes to advance fee loan services. While it is illegal for lenders to charge advance fees for consumer loans, businesses commonly pay thousands of dollars in fees to apply for business funding. BBB recommends you seek legal advice and thoroughly check the reputation of any lender. ☐

BBB Accreditation Confers Benefits Beyond Trust

David Weiss, BBB President

Over the years, local and national surveys of businesses have continually told us that the most valuable benefit of BBB Accreditation is that it lets customers know yours is a company that meets ethical standards – one they can trust with their hard-earned dollars.

However it's important to point out that we're working hard to make BBB affiliation valuable to you in other ways. We often hear you'd like help with your bottom line. So we have partnered with providers of key business services to provide you with money-saving opportunities.



We structured a telecom program that provides you with an opportunity for great pricing and one customer service contact for all of your telecom/bandwidth needs. Through a partnership with a new B2B discount service, BBB Accredited Businesses have an opportunity to build an expanded customer base while obtaining free exposure, or to get services at deep discounts. Other programs provide discounts on such things as commercial shredding, credit card services, payroll processing and online directory advertising.

Some of the programs we offer you leverage exploding consumer usage of our services to bring more recognition to BBB Accredited Businesses, such as sponsorship of educational video messages prominently placed on our site, or advertising in BBB's online directory (traffic to which is maximized by organic and inorganic search engine strategies).

We know business owners are extremely busy. A broadcast email message and a newsletter article frequently won't catch their attention. We're excited about these program offerings, and so are the businesses we partner with. So occasionally, you may be contacted by phone so that we or our partners can make you aware of these opportunities. We keep these types of calls to a minimum and frequently refuse requests by vendors to provide them with mailing lists of our membership.

It is certainly not our intent to "bug" you with sales calls – we're trying to inform you. If you're not interested in what's being offered, simply let the caller know. And please – if for any reason you feel the contact was inappropriate or in any way unprofessional, please report it to me.

When you consider all of the tangible and intangible benefits, BBB Accreditation is an amazing value. We want you to take advantage of all that it offers. □

BBB Announces New Officers and Directors

Congratulations to these business leaders elected to serve one-year terms as officers of the BBB/Greater Cleveland Board of Directors:

Chairman: **Marlene Herman**, Aamco Transmissions

Vice-Chairmen: **Ingrid Halpert**, Weiss Movers
Moreen Bailey-Frater, WEWS NewsChannel 5

Treasurer: **Bill Mann**, Joseph Mann & Creed

Secretary: **Jim Lineweaver**, Lineweaver Financial Group

In addition, the following individuals have been elected to serve a 3-year term as Directors on the BBB Board and will be new to the Board: **Alex Petrus** of Berea Children's Home and Family Services, **Gregory Faustina** of The Plumbing Source, **Mitchell Zlotnik** of One Wish, LLC and **Donna Mintz** of Comfort Seal Windows & Doors. We'll spotlight information on these new directors in upcoming editions of the Market Monitor! □

B2B Discounts for BBB Accredited Businesses

Credit Card Processing

TSYS Merchant Solutions offers rates as low as 1.52% on retail transactions and 2.09% for mail and phone orders (plus a nominal fee per transaction). Small monthly fee. Call (888) 562-6737 for details.

Document Shredding

All Ohio Secure Shred will shred documents on site for \$22/month for one container. Also, one-time bulk purge for 10 cents/lb. \$50 minimum. Call (216) 332-9850 or (888) 747-3394.

Phone Service

Easton Telecom - Rates ranging from 2.5¢ - 3.5¢/minute for long distance calls, toll-free lines as low as 1.79¢/minute. 10% discount off most retail services. Contact Jim Butler at (800) 222-8122.

Pre-Employment Background Reports

Intellicorp - Instant online background checks for under \$10 per report. Monthly fees waived. Call Chris Hughes for a FREE trial at (888) 290-0634.

Payroll Service

Heartland Payroll Co. - Savings of as much as 50% on payroll fees. Call Brian Nelson at (440) 371-5245.

Medical Services

Big discounts on prepaid lab and imaging work, and prescriptions. cleveland.bbb.org/healthdiscounts.

New! Add a Coupon to Your BBB Business Review!

This new feature, exclusively for BBB Accredited Businesses, is a high profile opportunity to offer discounts to your customers. Coupons can be printed right from your company's online BBB report.

Remember, you can also add photos and videos to your BBB Business Review!

To add content, call Laura Fitzgerald at (216) 623-8964 x107.



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BBB's Secure Your ID Day Shatters Previous Records

BBB's Secure Your ID Day took place on Saturday, October 27th. Thanks to our sponsors, NewsChannel 5 and RadAir, this year's event was the largest and set new records. BBB's previous one-location high was 300 cars and 11,000 pounds of shredded material. This year we serviced, at two locations, an amazing 1,160 cars and, thanks to our partner All Ohio Secure Shred, wound up with an astounding 42,600 pounds in shredded materials for recycling! ☐



Cars with boxes and bags waiting to be shredded.

BBB Introduces Its New Free iPhone App

BBB recently launched an official iPhone app that is available now, for free, in Apple's online app store. Millions of consumers and businesses already rely on the BBB to research companies and now they can access important information such as BBB Business Reviews and ratings on-the-go. You can also search for local companies by your current location, city, state, or name and then list them or display them on a map. This, combined with many other great features, makes it a great addition to any wired warrior's app collection. Non-iPhone users, don't feel left out! You can simply direct your phone's internet browser to <http://m.bbb.org> ☐

- Get directions from your current location to a BBB Accredited Business's front door
- All the functionality of the BBB website in the convenience & user-friendly format of an App
- Ability to save business contact info to your phonebook
- Easily share links on your social media sites

