NEWS RELEASE

Steve Marshall Alabama Attorney General



FOR IMMEDIATE RELEASE February 8, 2021

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Attorney General Steve Marshall Announces Consumer Claims Processing Underway in Statewide Terminix Settlement

Court-Appointed Receiver Now Accepting Terminix Customer Claims

(MOBILE) — Attorney General Steve Marshall announced Monday that current and former Terminix customers in Alabama, victimized as a result of the pest control company's unconscionable price increases and failure to provide paid-for services, may now file claims for restitution. In November, the Attorney General's Office announced a historic \$60 million settlement with Terminix International in response to the company's alleged illegal business practices targeting Alabama consumers, and Terminix began cooperating with the State of Alabama to correct these wrongs.

"As part of the State of Alabama's consumer settlement with Terminix, a court-appointed receiver is now ready to receive claims from current and former Terminix customers in Alabama who suffered from the company's unconscionable overcharging and failure to provide paid-for services," said Attorney General Marshall. "These actions violated several provisions of the Alabama Deceptive Trade Practices Act, a state law designed to protect consumers from deceptive, fraudulent, unconscionable, and illegal acts committed by businesses operating in Alabama.

"My office has worked closely alongside that of Mobile County District Attorney Ashley Rich in ensuring that consumer relief is available to the tens of thousands of Terminix customers who were victimized by the company's alleged illegal business practices, many of whom reside in Baldwin and Mobile counties. District Attorney Rich was the first to receive consumer complaints about Terminix in southwest Alabama and promptly notified my office to investigate. I appreciate her teamwork in protecting the rights of Alabama consumers."

"Since the announcement last fall of the Settlement by the Attorney General against Terminix, many of you have called and contacted our office with questions about how to go about making a claim against Terminix," said District Attorney Rich. "There are tens of thousands of victims right here in Mobile County. Today, I am so pleased to be able to announce how you go about filing a claim. If you were a Terminix customer or are currently a Terminix customer, please contact the receiver to file a claim and seek a refund as a result of this settlement made by our Attorney General."



Under the settlement, the court-appointed Receiver will administer an uncapped \$25 million consumer fund to pay claims against Terminix. Terminix may add to this fund as needed to address consumer claims. Claims may be filed from anywhere within the state of Alabama for repairs, inspections, treatment, termite damage or premiums charged by Terminix.

Customers to Get Refund Without Filing a Claim

All present Terminix customers who were overcharged for pest control services in 2019 and 2020 will be issued refunds for the overcharges <u>without the customer having to file a claim</u>. The Receiver expects to begin mailing the refund checks to customers by May of 2021.

Customers Who Need to File a Claim

All former Terminix customers who closed their contracts with the pest control company due to unfair pricing may file a claim to receive either:

- A one-time \$650 payment, or
- A payment for the difference between the old Terminix contract and a new contract with a different pest control company, or
- Refunds of any excessive payments made in 2019 or 2020.

Baldwin and Mobile County Terminix Customers

Under the settlement, all current Terminix customers in Baldwin and Mobile counties will receive a retreatment and termite inspection at no additional cost. Many of these retreatments have already been performed.

All current Terminix customers in Baldwin and Mobile counties will have their termite protection service reinstated to their 2018 rate, if so desired.

How to File a Claim

To file a claim, present and former Alabama Terminix customers should visit the Receiver's website at www.terminixfund.com to access forms which can be completed online, or downloaded, printed and mailed to the Receiver for processing.

Jeffrey C. Schneider, the court-appointed receiver, can also be contacted at:

Levine, Kellogg, Lehman, Schneider + Grossman LLP

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Under the previously announced State settlement with Terminix, \$20 million was also awarded to the Attorney General's Office to settle the State of Alabama's claims against Terminix and to be reinvested in statewide consumer protection efforts. An additional \$4 million has been paid by Terminix to the Alabama Department of Agriculture and Industries. And, Terminix has made a \$1 million charitable contribution to the Auburn University Department of Entomology.

Terminix agreed to adopt a reasonable and affordable price increase schedule to prevent it from charging consumers with unconscionable and exorbitant annual rate increases for its termite services.

The Terminix investigation was conducted by the Alabama Attorney General's Consumer Interest Division, working in conjunction with the Alabama Department of Agriculture and Industries.