HIGH-VOLTAGE FRAUD ON THE ENERGY MARKETS:
SANFORD HEISLER FILES $50 MILLION NATIONWIDE CLASS ACTION AGAINST STARION ENERGY

Complaint Alleges that Company Deceives Customers With Savings Promises, Then "Jacks Up" Electricity Charges to "Exorbitant" Above-Market Rates

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(November 13, 2014, New York, NY) –Sanford Heisler today filed a $50 million nationwide class action complaint alleging that Connecticut-based Starion Energy perpetrates an illegal bait-and-switch scheme that has deceived and defrauded thousands of energy consumers out of millions of dollars. The suit is filed the U.S. District Court for the Southern District of New York.

"Starion promises customers savings on their energy bills if they switch their accounts from other energy suppliers," said Jeremy Heisler, a founding partner with the firm and lead counsel in the case. "In fact, Starion often jacks up its promised rate to two or three times what customers were paying before the switch. Starion has a practice of targeting vulnerable low-income and elderly consumers."

Sanford Heisler represents Bronx resident Diana Windley and a proposed class of similarly-situated Starion customers. The class consists of thousands of consumers in New York as well as Connecticut, Delaware, Illinois, Maryland, Massachusetts, New Jersey, Ohio, Pennsylvania, and the District of Columbia. As the complaint alleges, Starion has come under fire for its sales practices in several in those jurisdictions. For example, earlier this year, the Maryland Public Service Commission found a "clear pattern of repeated misrepresentations by Starion representatives to potential customers" and issued a record fine.

According to the complaint, Ms. Windley is only one of the many thousands of customers enticed by Starion's deceptive claims to switch her electricity service to the company. Starion representatives misleadingly presented Starion as a low-income assistance "program" and promised that Ms. Windley would save money on her ConEd bills. Later, Ms. Windley discovered that her rate with Starion was three times what it would have been with ConEd – costing her hundreds of dollars in excessive charges. Ms. Windley switched her service back to ConEd.

The complaint explains that Starion takes advantage of the deregulation of energy supply markets in New York and other states by adopting fraudulent and deceptive business tactics. "The company actively misleads customers to believe that switching to Starion will save them money," said David Tracey an attorney with Sanford Heisler. "But the company fails to disclose that its regular rates are nearly always substantially higher than its competitors and exorbitant when compared to the energy supply market."

In 2006, the Connecticut Attorney General, Banking Commissioner, and Department of Consumer Protection announced a $750,000 settlement with Starion founder Defendant Robert Zappone and other owners of three companies behind a vicious predatory lending scheme. The Attorney General described Zappone and his co-conspirators as perpetrators of an 'unconscionable scam.' "Now Zappone and his new company Starion have thrown their hat into the energy game and left another trail of low-income and middle-class victims in their wake," said Andrew Melzer, a partner at Sanford Heisler and lead counsel in the case.

The proposed class has two subclasses. The first subclass comprises only New York customers and is brought under New York's strong consumer protection statute. The second subclass consists of Starion customers nationwide. Ms. Windley's claims are representative of the claims of the class. The complaint cites public investigations, complaints, and articles containing examples of hundreds of class members who have undergone similar experiences.

The complaint alleges that the defendants violated the New York consumer protection act, violated the federal Racketeer Influenced and Corrupt Organizations Act ("RICO"), breached the covenant of good faith and fair dealing integral to all contractual agreements, and received unjust enrichment by taking money that belongs to Ms. Windley and the class members. The complaint asks for a class action declaration; an award of compensatory damages to Ms. Windley and class members; triple damages, as allowable under state law and RICO; an order enjoining Starion from continuing to implement its deceptive, illegal and unlawful trade practices and schemes; pre- and post-judgment interest on damages awarded.

A jury trial is demanded.

About Sanford Heisler

Sanford Heisler is a public interest law firm with offices in Washington, D.C., New York, and San Francisco that specializes in employment discrimination, wage and hour, qui tam and other civil rights matters. The firm has extensive experience in complex class action litigation having successfully represented thousands of individuals in major class action cases in the United States. The firm also represents select individual clients with a particular emphasis on the representation of executives and lawyers in employment disputes and whistleblowers. In May 2010, the firm won the largest jury award in the U.S. in a gender discrimination employment class action when a jury returned a verdict of $253 million in compensatory and punitive damages against Novartis Pharmaceuticals Corporation. In 2012, the firm settled a wage and hour case on behalf of sales reps employed by Novartis Pharmaceuticals for $99 million. For more information, contact Sanford Heisler at (202) 499-5200.

Sanford Heisler has an impressive history of success in qui tam, or whistleblower cases brought under the False Claims Act, having represented whistleblowers in a 124 million dollar qui tam settlement with Omnicare, Inc., a 762 million dollar global qui tam settlement with Amgen, Inc., and a 23.5 million dollar qui tam settlement with Medtronic, all with the assistance of the U.S. Department of Justice. In addition, Sanford Heisler has filed over 20 other whistleblower actions now pending throughout the United States, and is currently investigating and drafting additional matters across the United States.