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Consumer Protection suit filed against BlueHippo; “sham” business accused of deceptive sales of computers and other electronics

The Attorney General’s Office has filed a consumer protection lawsuit against a Maryland-based company, BlueHippo Funding, along with the company’s owner and other affiliated businesses, who are accused of preying on Pennsylvania consumers with poor credit.

Attorney General Tom Corbett said the civil lawsuit was filed in Commonwealth Court against Joseph K. Rensin, of Ellicott City, Maryland, the owner, CEO and Chairman of the Board of BlueHippo Funding, 7000 Security Boulevard, Baltimore Maryland. Rensin and his business also operated as BlueHippo Capitol, of Vienna, Virginia and BlueHippo Capitol, of Las Vegas, Nevada.

“BlueHippo used a national campaign of television and radio ads, telemarketing calls and Internet websites to sell computers, flat screen TV’s and other electronic equipment – claiming to offer ‘payments you can afford’ for ‘top of the line’ products,” Corbett said. “In reality, BlueHippo was little more than a sham designed to collect as much money as possible from consumers while delivering little, if anything, in return.”

According to the lawsuit, consumers often paid more than twice the value of the items that they had purchased, received lesser quality items or failed to receive anything for their money. In other instances, the company did not provide rebates or free gifts that were offered as part of a sale, or failed to pay consumer refunds when promised.

“BlueHippo allegedly used advertising language such as ‘perfect for back to school’ and ‘get yours now,’ which suggested fast delivery times,” Corbett said. “While many customers believed they would receive their products in a timely manner, most were delivered months later – or, in some cases, not at all.”

According to the lawsuit, BlueHippo did not actually have any of the products they claimed to be selling. Instead, consumers were convinced to make a series of weekly or bi-weekly payments to BlueHippo, and only after a history of successful payments would the products supposedly be ordered and shipped.

Corbett said that during sales calls, consumers were often asked for bank account information, with BlueHippo making immediate withdrawals from their accounts long before consumers received any written information about the financing terms or other conditions about the purchase.

More than 300 Pennsylvania consumers have filed complaints about BlueHippo, including:

- Failure to deliver products.
- Not delivering rebates or other items when promised.
- Making unauthorized withdrawals from consumers’ bank accounts.
- Misrepresenting or not disclosing major terms of their contracts.
- Not informing consumers about delays in shipping their purchases.
- And failing to pay refunds when promised.

Additionally, BlueHippo is accused of conducting telemarketing without properly registering in Pennsylvania, operating as a loan broker without registering with the state Department of Banking, violating the Installment Sales Act and failing to register corporations and fictitious business names with the Pennsylvania Department of State.

Corbett said the lawsuit seeks full restitution for all consumers who were harmed by BlueHippo unfair business practices, along with fines and penalties of up to \$1,000 for each violation of Pennsylvania law (or fines of up to \$3,000 for each violation involving a senior citizen).

“While our Bureau of Consumer Protection has already received information from more than 300 complaints regarding BlueHippo, we believe that there are many other potential victims who have not yet come forward,” Corbett said. “Pennsylvania residents with problems or complaints involving BlueHippo should call our toll-free consumer protection hotline, at 1-800-441-2555, or visit our website at www.attorneygeneral.gov to access our electronic consumer complaint form.”

The lawsuit was filed by Senior Deputy Attorney General John M. Abel and Deputy Attorney General Saverio P. Mirarchi of the Attorney General’s Bureau of Consumer Protection.

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Editors’ Note: Copies of the Consumer Protection Lawsuits are available by contacting the Attorney General’s Press Office at 717-787-5211.