

FRAUD: IT CAN HAPPEN TO YOU!

From EXPO on-line magazine, I read an article (at the bottom) about how British Columbia – yeah, the whole country – *or whatever* – called a halt to a con man and his games. They tossed the promoter out of the market. Here's a portion of the original text:

"Kelly promised investors the company would generate \$38 million in revenues from 35 virtual trade shows booked up to March 2003, which the panel found were never booked and that the company didn't possess the technical ability to stage."

What's the problem?

According to the B.C. folks, the promoter made promises about things that were never gonna happen and never could happen. By definition, that's pretty much "fraud."

To develop an analogous "scenario," I offer an edited version demonstrating how this corresponds to the home show industry right here in our lil' town.

"The promoter promised **shows to exhibitors** which were never booked."

Don't think it happens? Think again.

It's happened every year for the past 5 years. Eye-opening, ain't it?

In the vernacular of shooting pool, home show promoters have been 'firing air barrels' for years.

[DEF: You're *firing air barrels* when you gamble and can't cover the bet.]

Option A

There's 5 producers of note in the home show industry – a.k.a. '*The Five Families of Chicago.*' More than one of the *Other Guys*' promoted shows that never happened; some, never were under contract.

Yes, the *Other Guys* have sold shows in various markets and later dumped the shows because they never had a contract on the facility. Then, they offered exhibitors Option A – applying their payments to their other shows. Seems fair, right? Not if the strategy was to divert your business.

If you book a show in the northwest burbs (the 'bait') and the show is cancelled, you lost that marketing opportunity, plain and simple. You're never gonna make up the revenue loss by exhibiting in another one of their shows in an entirely different market (the "switch").

That's why it's called '*Bait & Switch.*'

Option B

What's the *other* option? Get your money back? "Ah, no . . . not right now."

You'll never receive a 'prompt' refund, because these con-men (promoters), refuse to refund any payments until all scheduled shows nearby have been completed. These promoters aren't going to allow their loss to become any other promoter's gain.

Since we have events in the heart of every significant market, we loose out as well. In fact, we share the loss. If you had your 'druthers,' you'd probably exhibit at one of The Home ShowS, rather than loose revenue from the leads you could have generated in that market.

But, when a promoter takes your money for a show, they take money 'out of the market' – out of play. That's your budget. Are you willing to *double-down* the bet by exhibiting with another producer while chasing the refund?

Who's gets hurt?

The Home ShowS Takes A Hit

Let's get THS out of the way first.

It's easy to understand when we're competing with the *Other Guys* selling shows they don't have 'in the bag,' we loose sales. With eight facilities and 11 shows, we're in every market.

Frustrating? Hell yes. It's frustrating enough that this and other problems posed by the *Other Guys* gave rise to the *Lil' Johnny Papers*, which are all about telling you *the nasty* – ugly secrets of the industry.

Newbies Die On The Vine

How about the *newbies*? If they just start exhibiting and this con gets played on them, the rule is, "Once bitten, twice shy." After being stung, who's gonna trust any producer? Sometimes, they just drop exhibiting at shows altogether . . . blaming all home show producers. We get the bad rep too.

Veterans Stumble Too

Then there's the *veteran* exhibitors. When they make a deposit – like they've done year after year – they're hardly going to walk away from it. They'd rather take another show outside their market territory than accept the humiliation of a loss. 'Windshield time' can't compare to embarrassment.

Even The Deal-Makers Get Stung

We've even had an exhibitor ask us to apply money they lost on another producer to our shows – like we're all the same. As one of the *Other Guys* is fond of saying, "All home show producers are not created equal." That's so true, it's laughable ... especially coming from them. They pull this con regularly.

That doesn't make it our problem. Nor does it make it our exhibitor's problem, since that shifting of debt isn't fair to those who paid the price to exhibit with The Home ShowS . (*Guess how I feel about government bailouts for bankers still getting huge bonuses; insurance guys that have parties; and, on and on!*)

When it comes to sympathy, we have none for the *deal-makers*. Not one bit.

Conclusion

Here's the wrap-up.

If you paid to exhibit in a home show that didn't happen, don't come to us looking for a bail-out. Take it to the lawyers. Don't fake it. Don't say, "I'm gonna break your kneecaps." And don't say I'm gonna file a complaint with the Better Business Bureau or the Attorney General – unless you do. Let me repeat that with particular irreverence toward veiled threats – *they're absolutely useless!!!*

File the complaint and then go to that producer and tell them this:

"If you don't give me a refund NOW, I'll write Lil' Johnny and you know how that's gonna end."

I know the *Other Guys* are laughing their asses off reading this – "Who does he think he is!" They certainly aren't going to be intimidated by Lil' Johnny.

Yeah?

The next thought the *Other Guys* should have is being exposed for their deceitful ways when word spreads to every exhibitor in the Chicagoland area ... and beyond. That may just get you the refund you've been looking for – if you're in our shows. We protect our own.



Since 1986 . . .



From the desk of Lil' Johnny

Send comments to

John@ChicagoHomeShow.Net

SOURCE: www.ChicagoHomeShow.Net/LilJ

© 2009 J. Neron ~ Lil' Johnny



. . . fighting the BS of B&S



Strategies & solutions for
trade shows, conventions and
corporate event management

eventpeeps.com
THE SOCIAL AND PROFESSIONAL
NETWORK FOR THE EVENT INDUSTRY

JOIN TODAY!



- Home
- Contact Us
- Current Issue
- Past Issues
- News Archives
- Media Kit
- Subscribe
- Event Careers
- eMarketplace

Trends

Benchmarks/Research

Association Shows

For-profit Shows

Attendance

Booth Sales

Marketing/Promotions

Exhibitors

New Revenue

Best Practices

Cheat Sheet

Show Management 101

Operations

Planning & Budgeting

Site Selection

Hotel Shows

Contractors

Consumer Shows

Technology

International

HEADLINE

Headline Results

[Back to Headlines](#)

British Columbia bans bogus trade show promoter

Ralph Kelly has been banned from the British Columbia, Canada, securities market after misappropriating more than half of the \$418,000 he raised from investors for a bogus online trade show and advertising business, according to the Vancouver Sun.

A British Columbia securities panel imposed a \$200,000 administrative penalty and ordered Kelly to repay the \$242,153 he diverted for personal uses. Kelly sold \$418,000 worth of shares of Virtual Community Exhibitions Inc. to 58 British Columbia investors, according to the panel.

Kelly promised investors the company would generate \$38 million in revenues from 35 virtual trade shows booked up to March 2003, which the panel found were never booked and that the company didn't possess the technical ability to stage. Kelly also told investors he would buy back their shares within a year at a 20-percent premium, but failed to do so.

SOURCE:

http://www.expoweb.com/headline_search.asp?id=7547

Stay informed with Expo's weekly e-newsletter:

Get daily industry news via RSS [What is RSS?](#)

