

2009

Annual Report



BBB Serving Louisville, Southern Indiana, and Western Kentucky
Phone: (502) 583-6546 | Toll Free: 800-388-2222
www.louisville.bbb.org

A Letter From the President

It is with great pleasure that I present you with the **2009 BBB Annual Report**, which provides a snapshot of your BBB for the past year.

One of the most exciting changes to BBB in 2009 was the introduction of the new rating system, with the A+ to F rating on all BBB Reliability Reports. The letter grade has helped consumers understand ratings of businesses easier, finding businesses they can trust.

While the economy was rough in 2009, BBB managed to hold its own with a total of 3,544 Accredited Businesses.

In 2009, our staff worked diligently (and continues) to improve services at the local and national level. BBB's local retention efforts are top-notch, being one of the highest rated BBB's for retention.

We also worked hard to reach out to the media, with more than 560 mentions on tv, newspapers, and online (this does not include radio interviews). BBB even helped a local reporter win an Emmy, by providing information on a BBB investigation into Models Today, a Louisville company.

In 2009, BBB invited Holly Petraeus with the BBB Military Line, also the wife of General David Petraeus, to Ft. Knox. Petraeus visits installations across the country to talk about ID theft, buying cars, credit, etc. BBB hosted a meet and greet with Petraeus for BBB Board members, city officials, and some AB's in Elizabethtown.

On behalf of your BBB, I thank you for your continued support and want you to know that I am committed to serving businesses and consumers in our area.



Sincerely,

A handwritten signature in black ink that reads "Charlie".

President/CEO
Better Business Bureau serving
Louisville, Southern Indiana, and
Western Kentucky

BBB Standards For Trust:

- > Build Trust
- > Advertise Honestly
- > Tell the Truth
- > Be Transparent
- > Honor Promises
- > Be Responsive
- > Safeguard Privacy
- > Embody Integrity

Go to www.louisville.bbb.org/bbb-standards-for-trust/ for more details.

Mission: To be the leader in advancing marketplace trust.

Vision: An ethical marketplace where buyers and sellers can trust each other.

2009 Statistics

Top Ten Inquired About Industries

1. Roofing Contractors	32,843
2. Mortgages	29,303
3. Auto Dealers - New Cars	13,798
4. Construction & Remodeling Services	13,069
5. Auto Dealers - Used Cars	10,219
6. Heating & Air Conditioning	8,271
7. Concrete Contractors	7,831
8. Windows - Installation Services	7,373
9. Contractors - General	6,780
10. Tree Service	6,311

Top Ten Complained About Industries

1. Manufacturers & Producers	520
2. Extnd. Warranty Contract Services	389
3. Auto Dealers - New Cars	278
4. Restaurants	223
5. Auto Dealers - Used Cars	190
6. Roofing Contractors	158
7. Television - Cable, CATV & Satellite	140
8. Services (General)	120
9. Hospitalization, Medical & Surgical Plans	111
10. Credit Card Processing Service	107

Top Ten Scams in 2009

1. Stimulus/Government Grant
2. Robocalls
3. Lottery/Sweepstakes
4. Job Hunter
5. Google Work-from-home
6. Foreclosure Rescue/Debt Assistance
7. Mystery Shopping
8. Over-payment
9. Phishing E-mails/H1N1 Spam
10. Acai Supplements and other "Free" Trial Offers

2009 Instances of Service Breakdown

Ad Review Cases Closed:
9

Arbitration Cases Closed:
4

Reliability Report: Web
548,727

Reliability Report: Website Link
Clicked:
152,118

Reliability Report: Verbal
18,349

Accredited Business Directory
Lists: Web
117,873

Request-A-Quote Requests:
309

Number of Complaints Closed:
9,536

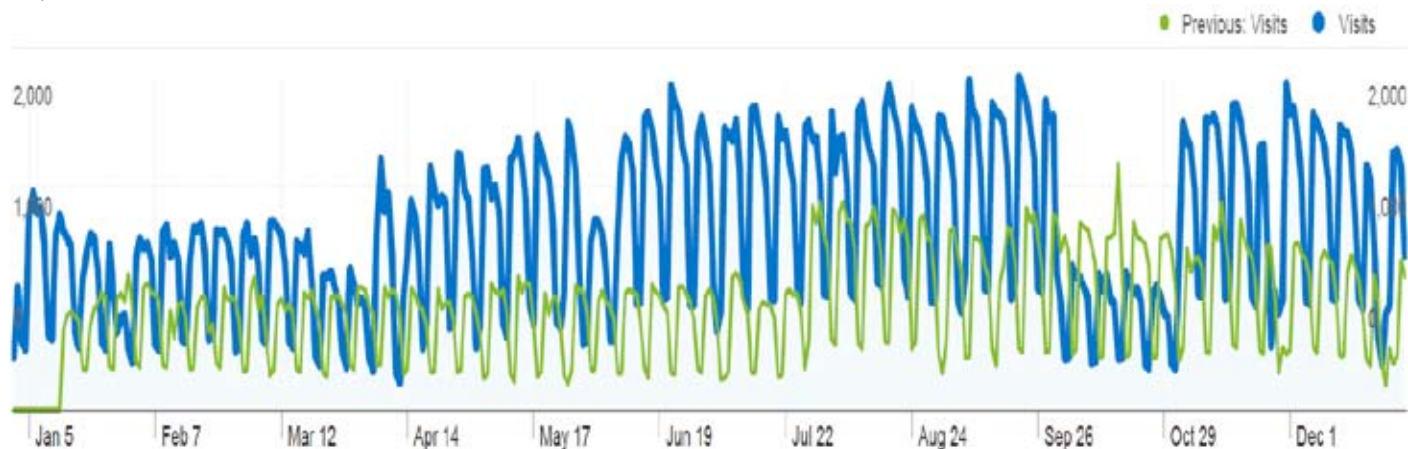


2009 Statistics

Dashboard

Jan 1, 2009 - Dec 31, 2009

Compared to: Jan 1, 2008 - Dec 31, 2008



BBB Website Visits

2009

Visits: 386,490

Average Time on Site: 2:45

New Visits: 69.82%

2008

Visits: 225,412

Average Time on Site: 3:55

New Visits: 70.83%

AB Online Seal Holders:
1,598

AB Online Seal Clicks:
293,797

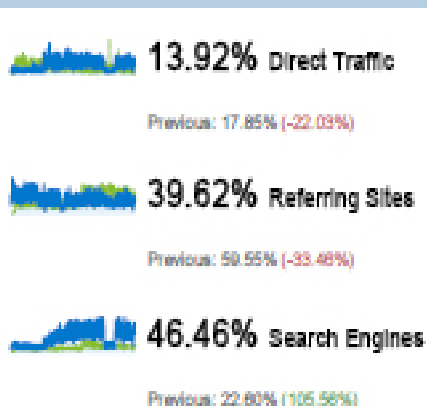
Company Inquiries:

Total December 2009
31,859

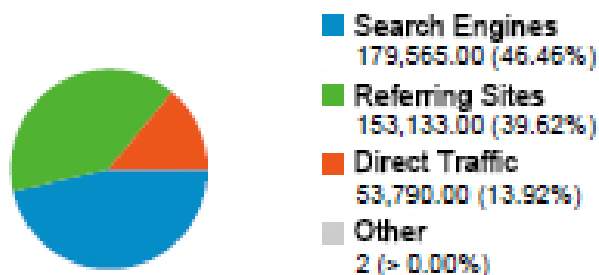
Total December 2008
48,473

Variance
-34%

Traffic Sources Overview



Traffic Sources Overview



2009 Statistics

Number of Accredited Businesses

Total AB's December 2008:
3,486

Total AB's December 2009:
3,537

Gain from 2008 to 2009:
51 Accredited Businesses



BBB Financial Snapshot Year Ended December 31, 2009

Revenues, gains, and other support:	
Membership dues	\$1,473,922
Service income	\$114,664
Contributions	\$331
Torch Awards income	\$24,225
Enrollment fees	\$20,694
In-kind donations	\$6,101
Other income	\$56,137
Unrealized gain on investments	\$10,466
Investment Income	\$4,572
Total unrestricted revenues, gains and other support:	\$1,711,112
Expenses:	
Program services	\$1,528,209
Support services	\$125,626
Fund-raising	\$14,531
Total Expenses:	\$1,668,366
Net Increase in total net assets	\$42,746
Net assets at beginning of year	\$376,516
Net assets at end of year	\$419,262

2009 Accredited Business Benefits

BBB Reliability Reports: Encourage potential customers to view your BBB Reliability Report at www.louisville.bbb.org to show them your business adheres to BBB's Standards For Trust.

BBB Online Seal: Properly adding BBB's approval online seal not only allows consumers to identify you as a BBB Accredited Business and click through to view your report, it may also help increase your website's search engine optimization.

Internet Presence for Your Company: Each BBB member is provided a page in the online Member Mall, www.wisebuyingmall.com, which can be used to let potential customers know what you do, where you are, which credit cards you accept, etc. Even companies with websites find that their search engine results improve when they have a WiseBuying-Mall page.

Membership Roster: Twice a year the BBB distributes the *Wise Buying Guide*, a "yellow pages" style publication that lists accredited businesses alphabetically and by type of business. Winter and Summer editions bring the total distributed to 90,000.

Request-A-Quote Program: consumers visiting www.louisville.bbb.org can request bids from BBB Accredited Businesses in a particular industry and zip code. Once a bid is submitted, the customer's contact information is e-mailed to the BBB Accredited Business in the industry the customer selected.

BBB Business Alerts: These electronic newsletters keep businesses up-to-date on the latest business scams and bad businesses hitting the area.

BBB Newsletter: This bi-monthly newsletter features valuable information about BBB programs and services, timely business tips, scams, and new Accredited Businesses.

Social Media: Stay on top of BBB news and alerts through Facebook and Twitter.

Health Insurance Discount: BluegrassSelect, the BBB association health insurance plan offered through Bluegrass Family Health, provides member businesses with 2 - 50 employees another option when searching for affordable health insurance.

Dispute Resolution: BBB can help your business resolve disputes fairly and without expensive litigation through our conciliation, mediation, and arbitration services.

Advertising Review: The BBB Code of Advertising closely tracks FTC advertising regulations. BBB can review your advertising based on this code to help you avoid federal regulatory sanctions.

To learn more about these and additional BBB benefits call (502) 588-0075.

Visibility

BBB spreads the word about how to
“START WITH TRUST” through...

Events and Trade Shows

The BBB reaches hundreds of thousands of consumers each year by participating in several events and trade shows. Some of these events include the Kentucky State Fair, Bowling Green Fair, and the Louisville Home, Garden and Remodeling Show.

Speaking Engagements

BBB staff reaches out to businesses, senior citizens, and high school students through speaking engagements. BBB educates consumers on wise buying and wise giving practices and shares information on the latest scams.

New Technology

BBB Accredited Business Locator - A free browser plug-in shows the BBB seal next to any AB when the company appears in a search result on Google, Yahoo!, and Bing.

Media

BBB reaches out to local media via press releases, newspaper articles, tv interviews, and does weekly live-interviews on the radio.

2009 Exposure

560+ media mentions on TV, newspapers, and online. (this does not reflect radio, nor does it reflect all media mentions)

200+ times BBB employees spoke at various events

90,000 copies of the BBB Wise Buying Guide were distributed

Social Media

Find us on Facebook and Twitter.
Search for **Louisville BBB**.

Find us on
facebook

BBB on
twitter

2009 BBB Board of Directors

Officers/Executive Committee:

Chairperson: Tom Monahan, President/Business First of Louisville

Chair-Elect: Darryl Metzger, Senior VP & Director of Branch Admin./J.J. B Hilliard, W.L. Lyons, LLC

Vice Chair/Business & Consumer Affairs: Gary Haupt, President/Tri-County Ford-Mercury, Inc.

Vice Chair/Membership & Marketing: H. Powell Starks, Member/Frost Brown Todd

Vice Chair/Budget, Finance, Audit & Personnel/Treasurer: Stephen E. Fischer, Associate Vice President/Finance/Kosair Children's Hospital

Chairperson/Bowling Green Business Advisory Committee: Thomas Smith, President/CEO/American Bank & Trust Co.

Chairperson/Lincoln Trail Business Advisory Committee: Keith Johnson, President/First Federal Savings Bank

Secretary: Ellen Jones, Executive Director, External Affairs - Kentucky/AT&T

President/CEO BBB: Charles B. Mattingly

Legal Counsel: Michael Risley, Esq., Partner/Stites & Harbison

Immediate Past Chair: John McCafferty, President/Creative Director, McCafferty and Company Advertising

DIRECTORS:

Mike Anderson, Churchill Downs, Inc.

Chris Apel, *The Courier Journal*

Alan Blake, *Brown-Forman Corporation*

William Burns Jr., Aristocrat Realty

Randy Coe, Kosair Charities

Kenneth Cusick, Kroger Company

Greg Dutton, Print Tex USA

Maggie Payette Harlow, Sign-A-Rama Downtown

David Heintzman, Stock Yards Bank & Trust Co.

Greg C. Heintzman, Louisville Water Company

William Holden, Unified Foodservice Purchasing

Steve Langford, WAVE3 Television

David Lewis, Bales Motor Company

Michael W, McClain, Wyatt Tarrant & Combs

Carlton (Scooter) McCray, La-Z-Boy Furniture Galleries

Rick Miller, Miller's Fancy Bath & Kitchen

David Nash, Duplicator Sales & Service

Steve Ramser, Highland Roofing Company

Joseph Sparks III, The Grant Insurance Corp.

Patrick Sterling, Texas Roadhouse

Cesar Vanegas, Intec Building Services

Dick Wilson, UBS Financial Services

Doug Wolford, Neil Huffman Nissan, Inc.



BBB Consumer Education Fund

About the Foundation

The BBB Consumer Education Foundation is a 501 (c)(3) non-profit organization established in 1991 to further the charitable and educational purposes of the Better Business Bureau serving Louisville, Western Kentucky, and Southern Indiana.

CEF's major areas of focus include educating consumers on marketplace issues and working with local charitable organizations to promote standards for charitable accountability. The officers and directors of CEF are appointed annually by the BBB.

Mission:

The foundation's mission is to provide educational programs and services that advance CEF's charitable purpose and support the Better Business Bureau in its efforts to educate and inform consumers and to encourage charity accountability and wise giving practices.

Finances - BBB CEF

for year ended December 31, 2009

Revenues, Gains and Other Support:	
Service Income	\$35,615
Contributions	\$11,142
Rental Income	\$24,000
Golf Scramble, net	\$6,573
Total Revenues, Gains, and Other Support	\$77,334
Expenses:	
Program Services	\$67,521
Support Services	\$5,984
Total Expenses	\$73,505
Net Increase in Total Net Assets	\$3,829
Net Assets at Beginning of Year	\$74,291
Net Assets at End of Year	\$78,120

Officers for 2008-2009 (CEF is governed by a Board of Dir. appointed by BBB):

Chairperson: Tom Monahan, President/Business First of Louisville

Chair-Elect: Darryl Metzger, Senior VP & Director of Branch Admin./J.J. B Hilliard, W.L. Lyons, LLC

Vice Chair: Gary Haupt, President/Tri-County Ford-Mercury, Inc.

Vice Chair: H. Powell Starks, Member/Frost Brown Todd

Vice Chair: Stephen E. Fischer, Associate Vice President/Finance/Kosair Children's Hospital

Chairperson/Bowling Green Business Advisory Committee: Thomas Smith, President/CEO/American Bank & Trust Co.

Chairperson/Lincoln Trail Business Advisory Committee: Keith Johnson, President/First Federal Savings Bank

Secretary: Ellen Jones, Executive Director, External Affairs - Kentucky/AT&T

President/CEO BBB: Charles B. Mattingly

Legal Counsel: Michael Risley, Esq., Partner/Stites & Harbison

2009 Program Highlights

Senior Citizen Solutions and Scams - The BBB recognizes that Older Americans are the fastest growing segment of the population to be victimized by identity fraud and Internet schemes. To protect elderly consumers, CEF has developed presentations and written literature to provide elderly consumers with information on recognizing and preventing fraud. Topics covered include foreign lotteries, home repair scams, phishing, telemarketing schemes, phony charities and discount medical plans. Presentations offered on request.

Identity Theft Seminars - As one of the fastest growing white-collar crimes in the US, consumers frequently contact the BBB with questions regarding this crime. To assist in educating consumers, CEF, in conjunction with the Council of Better Business Bureaus, has developed presentations on the topic of ID theft, including how to prevent it and what steps consumers can take should they become a victim. Presentations offered on request.

Elder Contract Review - Through a partnership with the University Of Louisville School Of Law senior citizens can obtain advice on contract issues from U of L law students.

Credit Clues - A new program established in 2007 designed to provide the most reliable and current information to consumers about the correct avenues to take, as well as those to avoid, when attempting to use, build, and most importantly, repair credit. Written materials and a CD are available by request.

Expos and Trade Shows - In an effort to interact with consumers and businesses seeking information or services, CEF develops and distributes marketing, promotional and educational materials at local expos, trade shows and other community gatherings to increase awareness of BBB services and to educate consumers on a variety of topics affecting the marketplace. Major events in 2008 included the Garden and Home Expo and the Kentucky State Fair.

Torch Awards - CEF sponsors local Torch Awards for Marketplace Ethics to honor outstanding companies and non profits whose commitment to ethical business practices helps to uphold a fair marketplace. Awards are given in both for profit and not for profit categories with awards based on organizations demonstration of ethical management practices, customer and vendor relations, sales and communications practices, and reputation.

Golf Scramble - The BBB Golf Scramble is the biggest fundraiser of the year for the CEF. The event, which includes team sponsorships, hole sponsors, and a silent auction, raises money for the Richard E. Akers Scholarship Fund. Two scholarships are given out each year to high school students.

Student Ethics Scholarships - Two local high school students are selected as BBB Student Ethics Scholarship winners and receive \$1,000 scholarships to the college of their choice. Students are required to write an essay outlining why personal integrity is impor-

2009 Foundation Highlights

Charity Review

Established in 2002, the Charity Review Service is the donor information program of the BBB. The mission of the Charity Review Service (CRS) is to promote public confidence in local charities and encourage charitable giving. CRS provides the public with information on specific charities and wise giving practices and also advises charities on how to meet and maintain high ethical standards of operation.

Each year CRS reviews financial statements, tax filings, annual reports, solicitation materials, direct mail pieces, and special event information of local charities. Based on this information, provided by the charity or obtained from other public sources, CRS determines if a charity meets the Better Business Bureau's Standards for Charity Accountability. CRS then produces a report with its determination and summary of the charity's mission, programs, governance and key financial information. Charity reports are generally updated at two year intervals. Charities are provided with the opportunity to review and comment on draft reports (prior to posting) and to update reports in the interim year.

CRS reports are available on the local BBB website at www.louisville.bbb.org or by calling 502-588-0033. You may also request a copy of a report by sending a written request to: Charity Review Service, Better Business Bureau, 844 S. Fourth Street, Louisville, KY 40203.

The charity review process that is implemented locally was developed by the BBB Wise Giving Alliance which is the charity review affiliate of the national Council of Better Business Bureaus. The WGA reviews and reports on charities that conduct fund raising in a number of states and that operate programs that are national in scope. You can find additional background on charity review and access national reports on the WGA website at www.give.org or by contacting them at BBB Wise Giving Alliance, 4200 Wilson Boulevard, Suite 800, Arlington, VA 22203 or by telephone at 703-276-0100.

2009 Charity Review Service Highlights

- Developed 175 charity review reports
- Delivered over 10,000 online reports in response to consumer inquiries
- Continued collaborative partnership with local Metro United Way to develop and update charity review reports on all MUW member agencies

**2009 Total Charity
Review Seals**

50

**2008 Total Charity
Review Seals**

45