

Complaint

IN THE MATTER OF
CARPETS "R" US, INC., ET AL.ORDER, OPINION, ETC., IN REGARD TO ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION AND TEXTILE FIBER
PRODUCTS IDENTIFICATION ACTS

Docket 8947. Complaint, Dec. 7, 1973—Final Order, Feb. 26, 1976

Order requiring a Lanham, Md., distributor and installer of carpeting and floor coverings, among other things to cease using bait and switch tactics; misrepresenting free goods and services; misrepresenting exaggerated prices as regular and customary; misrepresenting the amount of carpeting offered for sale, *i.e.*, square feet vs. square yards; failing to disclose to customers their right to a three-day cooling-off period during which they may cancel their sales contract with full refund of monies paid; and misbranding and falsely invoicing their textile fiber products in violation of the Textile Fiber Products Identification Act.

Appearances

For the Commission: *Everette E. Thomas, Alice C. Kelleher, and Allen R. Caskie.*

For the respondents: *Ephraim Jacobs, Foley, Lardner, Hollabaugh & Jacobs, Washington, D.C.*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Carpets "R" Us, Inc., a corporation, and Paul W. Ferrone and Homer Bandy, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts, and the rules and regulations promulgated under the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Carpets "R" Us, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its principal office and place of business located at 9035 Lanham Severn Rd., Lanham, Maryland.

Respondents Paul W. Ferrone and Homer Bandy are individuals and officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts

and practices hereinafter set forth. Their business address is the same as that of the corporate respondent.

All of the aforementioned respondents cooperate and act together in the carrying out of the acts and practices hereinafter set forth.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale, distribution and installation of carpeting and floor coverings to the public.

COUNT I

Alleging violation of Section 5 of the Federal Trade Commission Act, the allegations of Paragraphs One and Two hereof are incorporated by reference in Count I as if fully set forth verbatim.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said merchandise, when sold, to be shipped from their places of business located in the State of Maryland, to purchasers thereof located in various other States of the United States and the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their carpeting and floor coverings, the respondents have made, and are now making, numerous statements and representations by repeated advertisements inserted in newspapers of interstate circulation, by advertisements transmitted over television, and by oral statements and representations of their salesmen to prospective purchasers with respect to their products and services.

Typical and illustrative of said statements and representations, but not all inclusive thereof, are the following:

SPECTACULAR
DUPONT 501
\$159 up to 270 sq. ft.
continuous nylon
CARPET SALE
FREE
PADDING & LABOR
3 ROOMS — WALL-TO-WALL
- Living Room
- Dining Room
- Hall & Steps

