UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS:

Joseph J. Simons, Chairman Noah Joshua Phillips Rohit Chopra Rebecca Kelly Slaughter Christine S. Wilson

In the Matter of

A WALDRON HVAC, LLC, a limited liability company, d/b/a WALDRON ELECTRIC HEATING AND COOLING, LLC, and

THOMAS J. WALDRON, individually and as a manager of A WALDRON HVAC, LLC.

DOCKET NO. C-4680

COMPLAINT

The Federal Trade Commission, having reason to believe that A Waldron HVAC, LLC and Thomas J. Waldron, individually and as an owner and manager of A Waldron HVAC, LLC (collectively, "Respondents"), have violated the Consumer Review Fairness Act of 2016, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent A Waldron HVAC, LLC (also d/b/a Waldron Electric Heating and Cooling, LLC) ("Waldron Electric") is a Pennsylvania limited liability company with its principal office or place of business at 500 Regis Avenue #18415, Pittsburgh, Pennsylvania 15236. Waldron Electric provides electrical, heating, and cooling services.

2. Respondent Thomas J. Waldron is an owner and manager of Waldron Electric. Individually or in concert with others, he controlled or participated in the acts and practices of Waldron Electric, including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of Waldron Electric.

3. The acts and practices of Respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

Course of Conduct

4. From at least August 2014 through April 15, 2018, Respondents used, in their form contracts offered to prospective customers in the course of selling their goods and services, the following provision:

CUSTOMER and COMPANY agree that the within contract is a private and confidential matter and that the terms and conditions of the contract, including the estimates and all pricing shall remain private and confidential and shall not be made public, or given to anyone to make public, INCLUDING THE BETTER BUSINESS BUREAU. Customer also agrees not to file any complaints with the Better Business Bureau, and agrees to attempt to resolve their complaints by contacting COMPANY in writing directly. Should the CUSTOMER breach this confidentiality clause, the CUSTOMER agrees to pay COMPANY liquidated damages equal to the actual amount of damages suffered or two times the contract price, whichever shall be higher. <u>THE COMPANY MAY ALSO BE</u> <u>AWARDED COUNCIL [sic] FEES AND COSTS AS REQUESTED BY COMPANY</u>.

A copy of the Waldron Electric "Trip Fee – Diagnostic – Misc. Agreement" that includes this language is attached as Exhibit A hereto. Respondents' form contracts were in effect on or after December 14, 2017.

VIOLATION OF THE CONSUMER REVIEW FAIRNESS ACT

5. The Consumer Review Fairness Act of 2016 ("CRFA"), Pub. L. No. 114-258, 15 U.S.C. § 45b, was enacted on December 14, 2016. As of March 14, 2017, Section 2(b) of the CRFA renders void, and Section 2(c) of the CRFA prohibits the offering of, provisions in form contracts that: prohibit or restrict individual consumers' ability to communicate reviews, performance assessments, and similar analyses about a seller's goods, services, or conduct; or that impose a penalty or fee against individual consumers who engage in such communications. 15 U.S.C. §§ 45b(a)(2), 45b(b)(1), and 45b(c).

6. The Commission is authorized to enforce Section 2(c) of the CRFA in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act, 15 U.S.C. §§ 41-58, were incorporated into and made a part of the CRFA. 15 U.S.C. § 45b(d)(2)(A). The Commission's enforcement authority under the CRFA applies to contracts in effect on or after December 14, 2017. 15 U.S.C. § 45b(i)(2).

7. Pursuant to 15 U.S.C. § 45b(d)(1), a violation of 15 U.S.C. § 45b(c) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under Section 18(a)(1)(B) of the FTC Act, 15 U.S.C. § 57a(a)(1)(B).

<u>Count I</u>

8. As described in Paragraph 4 of this Complaint, Respondents have offered, in the course of selling their goods and services, form contracts, as that term is defined in 15 U.S.C. § 45b(a)(3), that contained a provision made void by 15 U.S.C. § 45b(b)(1).

9. Therefore, the acts and practices set forth in Paragraph 4 of this Complaint occurring on or after March 14, 2017 violated Section 2(c) of the CRFA, 15 U.S.C. § 45b(c).

THEREFORE, the Federal Trade Commission this nineteenth day of June, 2019, has issued this Complaint against Respondents.

By the Commission.

April J. Tabor Acting Secretary

SEAL: