### UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

**COMMISSIONERS:** 

Lina M. Khan, Chair Noah Joshua Phillips Rebecca Kelly Slaughter Christine S. Wilson Alvaro M. Bedoya

In the Matter of

ELECTROWARMTH PRODUCTS, LLC, a limited liability company, and

DOCKET NO.

DANIEL W. GRINDLE, individually and as an officer of ELECTROWARMTH PRODUCTS, LLC.

### **COMPLAINT**

The Federal Trade Commission, having reason to believe that Electrowarmth Products, LLC, a limited liability company, and Daniel W. Grindle, individually and as an officer of Electrowarmth Products, LLC (collectively, "Respondents"), have violated the provisions of the Textile Fiber Products Identification Act, the Textile Fiber Rule, and the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Electrowarmth Products, LLC ("Electrowarmth"), also doing business as ElectroWarmth or Electro-Warmth, is an Ohio limited liability company with its principal office or place of business at 513 South Market Street, Danville, Ohio 43014.

2. Respondent Daniel W. Grindle ("Grindle") is Electrowarmth's Owner and President. Individually or in concert with others, he controlled, had the authority to control, or participated in the acts and practices of Electrowarmth, including the acts and practices alleged in this Complaint. His principal office or place of business is the same as that of Electrowarmth.

3. Respondents have manufactured, advertised, labeled, offered for sale, sold, and distributed textile fiber products to consumers, including heated "bunk warmer" mattress pads for truck bunks, and other bedding.

4. 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.

# **Respondents' Business Practices**

5. Respondent Grindle incorporated Electrowarmth in 2010. Electrowarmth is a successor to and owns all assets of two now-defunct entities that sold bedding products since 1939.

6. Electrowarmth currently sells fabric mattress pads of varying sizes and dimensions with built-in heating wires designed to warm pads to the operator's desired temperature. The wires are controlled by attached thermostats. Electrowarmth's pads come in various sizes to fit truck bunk mattresses (the "bunk warmer" products), residential mattresses, and massage tables.

7. Respondent Grindle is Electrowarmth's sole Owner and President and holds sole responsibility for and oversight over all Electrowarmth's marketing claims.

8. Prior to 2019, Respondents used USA textiles in their bunk warmer products and labeled the finished products as "Made in USA."

9. In 2019, however, Electrowarmth experienced a steep decline in sales. Specifically, a major truck stop operator stopped purchasing and stocking Electrowarmth bunk warmers, citing low demand and a preference for lower cost electric blankets. To cut costs and remain competitive, Respondent Grindle decided to move production overseas and stop using USA textiles.

10. Accordingly, Respondent Grindle contracted with a company in China to wholly manufacture and package Electrowarmth truck bunk warmers. Respondent Grindle instructed the Chinese manufacturer to make and package Electrowarmth's products "exactly the same" as they were previously manufactured in the United States.

11. Respondents have disseminated or caused to be disseminated advertisements, packaging, and promotional materials for their bunk warmer products, including, but not necessarily limited to, the attached Exhibits A through D. These materials numerous contain statements and depictions relating to U.S.-origin, including that the products are "Made in USA," "Made in the USA since 1939," or "made-in-America products":



Exhibits A-B (product label and packaging).

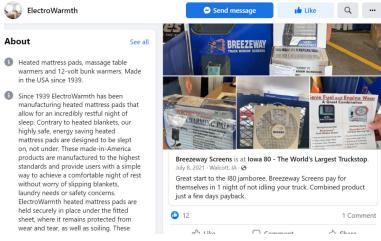


Exhibit C (ElectroWarmth Facebook page).

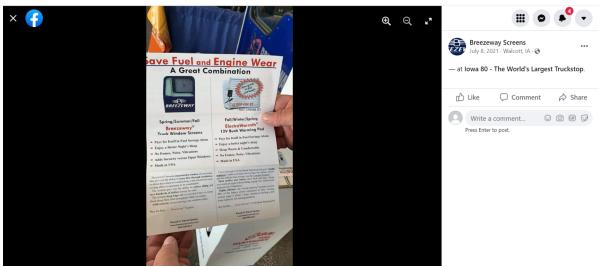


Exhibit D (Tradeshow materials).

12. At the time the statements described in Paragraph 11 were published or disseminated, the products advertised were wholly manufactured, labeled, and packaged in China.

## VIOLATION OF THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACT AND <u>TEXTILE RULES</u>

13. The Textile Fiber Products Identification Act, 15 U.S.C. §§ 70-70k (the "Textile Act"), governs, *inter alia*, the labeling and advertising of textile fiber products manufactured, sold, advertised, or offered for sale in commerce. *See* 15 U.S.C. § 70a.

14. Pursuant to the Textile Act, a textile fiber product is misbranded if "a stamp, tag, label, or other means of identification, or substitute therefor authorized by section 70c of this title, is not on or affixed to the product showing in words and figures plainly legible . . . [, i]f it is an imported textile fiber product[,] the name of the country where processed or manufactured[; or i]f it is a textile fiber product processed or manufactured in the United States, it be so identified." 15 U.S.C. § 70b(b).

15. The Textile Act further provides that "a textile fiber product shall be considered to be falsely or deceptively advertised in any mail order catalog or mail order promotional material which is used in the direct sale or direct offering for sale of such textile fiber product, unless such textile fiber product description states in a clear and conspicuous manner that such textile fiber product is processed or manufactured in the United States of America, or imported, or both." 15 U.S.C. § 70b(i).

16. Pursuant to Subsection 70e of the Textile Act, 15 U.S.C. § 70e(c), the Commission promulgated the Textile Fiber Rule, 16 C.F.R. Part 303 ("Textile Rules"). The Textile Rules provide, in relevant part:

- a. "Beddings," defined to include "all . . . textile fiber products used or intended to be used on or about a bed or other place for reclining or sleeping," are subject to the Textile Act and Textile Rules. 16 C.F.R. §§ 303.1; 303.45(a).
- b. Imported textile products must be labeled with the name of the country where the imported product was processed or manufactured. 16 C.F.R. § 303.33(a)(1).
- c. A textile product either (1) made in the United States in whole or in part of imported materials; or (2) partially manufactured in a foreign country and partially manufactured in the United States must contain a label disclosing those facts. 16 C.F.R. § 303.33(a)(3).
- d. Product descriptions for textile products advertised in mail order catalogs or mail order promotional materials must state clearly and conspicuously that the product was made in the United States, imported, or both in a manner that is consistent with the origin labeling of the product advertised. 16 C.F.R. § 303.34.

17. A violation of either the Textile Act or the Textile Rules constitutes an unfair or deceptive act or practice in violation of the FTC Act. *See* 5 U.S.C. §§ 70a and 70e.

# Count I

18. As set forth in Paragraph 6, Respondents market or sell textile fiber products used or intended to be used on or about a bed or other place for reclining or sleeping, including warming mattress pads for truck bunks and residential beds.

19. As set forth in Paragraph 11, Respondents label or have labeled and advertise or have advertised the origin of such textile fiber products as USA.

20. As set forth in Paragraph 12, these textile fiber products were wholly imported from China.

21. Therefore, through the means described in Paragraphs 10-12 and 18-20, Respondents have introduced, advertised, offered for sale, or sold textile fiber products that are mislabeled or falsely or deceptively advertised, in violation of Sections 70a and 70b of the Textile Act, 15 U.S.C. §§ 70a and 70b, and Sections 303.33 and 303.34 of the Textile Rules, 16 C.F.R. §§ 303.33 and 303.34.

22. Respondents' violations of the Textile Act and Textile Rules constitute deceptive acts or practices, in or affecting commerce, in violation of 5(a) of the FTC Act. *See* 15 U.S.C. §§ 70a and 70e.

23. Therefore, the acts and practices of Respondents as alleged in Paragraphs 18-22 constitute unfair or deceptive acts or practices in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, has issued this Complaint against Respondents.

By the Commission.

April J. Tabor Secretary

SEAL:





- Pays for itself in fuel savings
- Enjoy a better night's sleep
- 95% Efficient no starting problems
- Pre-warms your bed
- Drives out dampness
- No fumes, noise, or vibrations
- Automatic Comfort Control
  Thermostat
- Safe no carbon monoxide
- Portable plugs into lighter socket
- One year warranty
- Made in USA

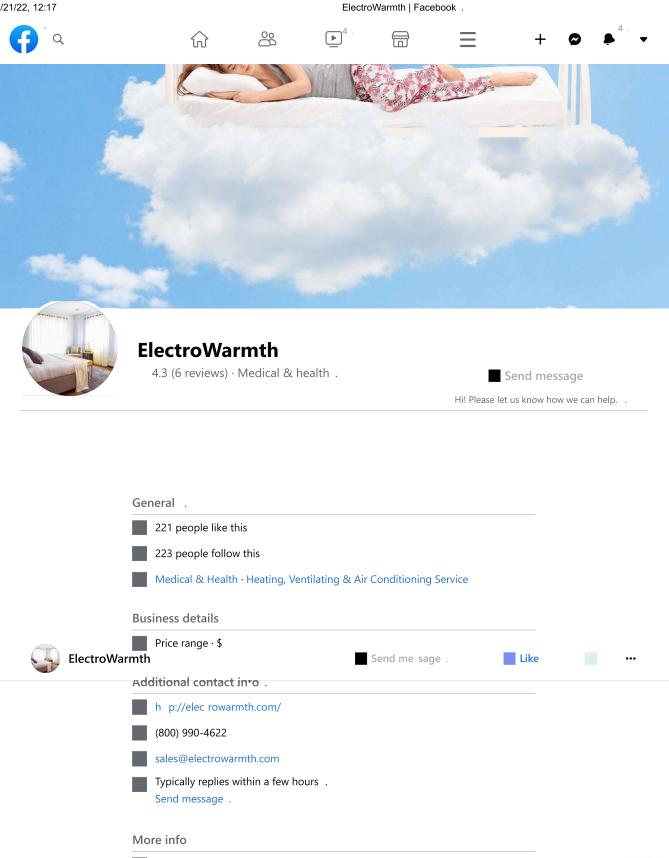


Sleep Warm Without Idling

and Engine Wear

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Heated mattress pads, massage table warmers and 12-volt bunk warmers. Made in the USA since 1939.

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#### Additional information

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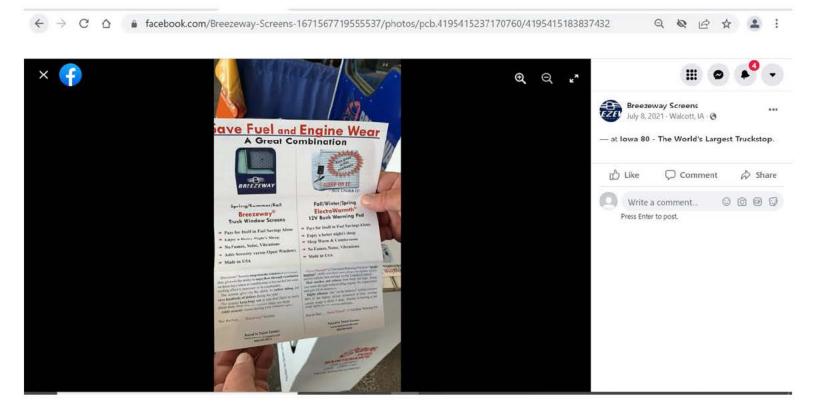
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Since 1939 ElectroWarmth has been manufacturing heated mattress pads that allow for an incredibly restful night of sleep. Contrary to heated blankets, . our highly safe, energy saving heated mattress pads are designed to be slept on, not under. These made-in-America products are manufactured to the highest standards and provide users with a simple way to achieve a comfortable night of rest without worry of slipping blankets, laundry needs or safety concerns. ElectroWarmth heated mattress pads are held securely in place under the fitted sheet, where it remains protected from wear and tear, as well as soiling. These easy to care for sleep-aids will ensure you get a night of rest you deserve! ElectroWarmth products are backed by a one year warranty and a 30 day satisfaction guarantee, but many of our mattress pads have been in use for 30 years or more and have never needed a repair! To learn more about our products or to order a heated mattress pad throughout Ohio, Indiana, or anywhere in the United States, don't hesitate to contact the friendly team at ElectroWarmth.

Not only does electrowarmth manufacture and sell high quality heated mattress pads for California king, king, queen, full and twin sized beds, but we offer an array of other products. For the masseuse we sell massage table warmers, ensuring your clients have a great experience from the very get go. We also sell 12 volt bunk warmers that are suitable for boats, motorhomes and semi trucks. Our 12 volt bunk warmers allow you to get the rest you need, no matter where you are!

We stand behind all our products with a 30 day satisfaction guarantee and a one year warranty. Should you not find the comfort and warmth you're looking for within the first month of use feel free to send it back, and we'd be happy to refund your money. Likewise, should you experience any technical issues within the first one year we will repair or replace your ElectroWarmth product. Call us toll free at (855) 478-7899 to learn more or to place an order for heated mattress pads, bunk warmers or massage table warmers in Ohio and the rest of the United States. **See less** .









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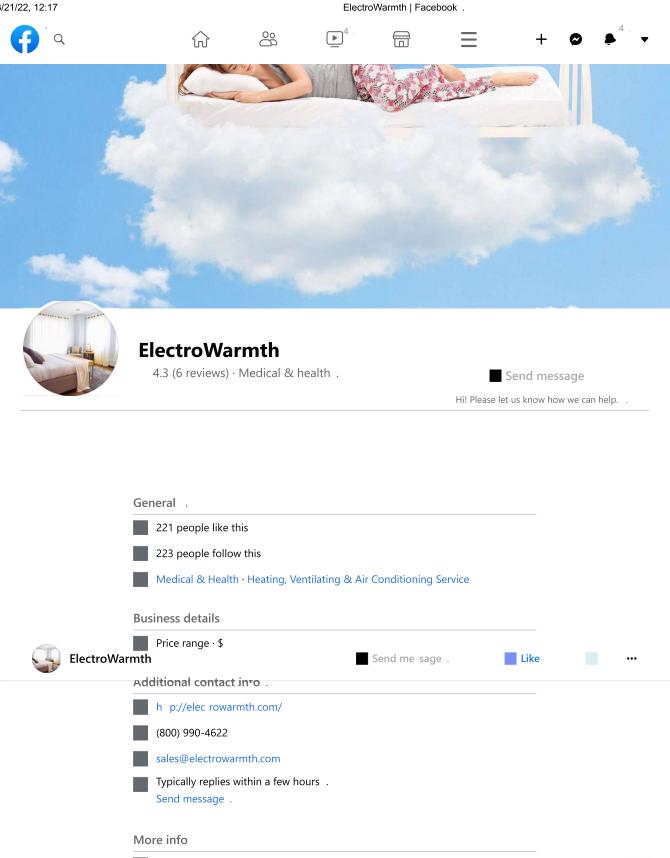


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