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STATE OF CONNECTICUT

DEPARTMENT OF CONSUMER PROTECTION

OFFICE OF THE ATTORNEY GENERAL



WILLIAM M. RUBENSTEIN
COMMISSIONER

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The Kirby Company Agrees to Change Sales Practices and Restrict In-home Sales Demonstrations

Department of Consumer Protection and Office of Attorney General Reach Settlement

HARTFORD, June 6 – The Department of Consumer Protection entered into Assurances of Voluntary Compliance today with The Kirby Company and its Connecticut distributors to settle charges that some of the vacuum cleaner company's Connecticut distributors and representatives engaged in aggressive, high pressure sales tactics. While admitting no wrongdoing, Kirby and the distributors agree to take numerous actions with respect to their sales practices.

“The great number of complaints from consumers led our agency to conduct an intensive investigation into the business practices of Kirby and its distributors,” Consumer Protection Commissioner William M. Rubenstein said. “With this agreement, consumers are protected from improper sales tactics. Importantly, the agreement requires Kirby to provide meaningful disclosures to consumers and to strictly honor time limits on in-home sales demonstrations.”

The Department and the Office of the Attorney General worked together on the resolution with The Kirby Company and its distributors in order to protect consumers from the unfair, threatening and abusive business tactics alleged by consumers in their complaints.

“I am hopeful these agreements will ensure that the type of complaints consumers made to my office about Kirby's distributor's practices are a thing of the past,” said Attorney General George Jepsen. “We will remain vigilant to make sure that consumers are protected from high pressure tactics, and given necessary and accurate information by these companies.”

Assistant Attorney Generals Jeremy Pearlman, JoseRene Martinez and Philip Rosario, chief of the consumer protection unit, represented Jepsen in this case.

As set forth in the agreement, Kirby will routinely educate its distributors on the importance of complying with Connecticut laws involving home solicitation, telemarketing and the federal Do Not Call List. Distributors will be instructed not to engage in “high pressure” sales tactics; to fully and conspicuously disclose material financing terms; to review with each customer the consumer's three-day right to cancel; and to adhere to similar fair marketing policies.

Kirby will also require its distributors to provide every potential customer with the name and address of the distributor and the name of the salesperson contacting the customer. Before beginning any in-home sales demonstration of its products, salespersons will be required to get a signed permission from the potential customer and provide a copy of that permission to the customer. In-home sales demonstrations are to be completed within one and one-half hours unless the customer specifically asks for additional time in writing; the customer may terminate the demonstration at any time.

Distributors for Kirby have also signed individual agreements requiring them to adhere to the policies outlined above, including but not limited to facing disciplinary action or termination from the company.

The Kirby Company has paid the State \$25,000.

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