

ENTERED
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IN THE COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

FOR COURT USE ONLY	
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Line # :	

STATE OF OHIO, ex rel.
ATTORNEY GENERAL
DAVE YOST

Plaintiff,

v.

STALCO ENTERPRISES, INC. dba
ARIA RUG CENTER

Defendant.

:
:
: **Case No. A 1802017**
:
: **Judge TBA**
:
:
:
: **CONSENT JUDGMENT AND**
: **AGREED FINAL ENTRY AND**
: **ORDER**
:

PREAMBLE

This matter came to be heard upon the filing of a Complaint by Plaintiff, the State of Ohio ex rel. Attorney General Dave Yost ("Plaintiff" or "Attorney General"), alleging that Defendant Stalco Enterprises, Inc. dba Aria Rug Center ("Defendant") violated the Consumer Sales Practices Act, R.C. 1345.01 *et seq.* The parties have agreed to settle and resolve the matters contained herein. By signing this Consent Judgment and Agreed Final Entry and Order (hereinafter "Consent Judgment"), Defendant submits to the personal jurisdiction of this Court, consents to the Court's findings of fact and conclusions of law, consents to the entry of this Consent Judgment pursuant to R.C. 1345.07(F), and consents to the rights of the Attorney General to enforce this Consent Judgment.

FINDINGS OF FACT

1. Defendant is an Ohio corporation, whose principal place of business is located at 9689 Montgomery Road, Cincinnati, Ohio.
2. Defendant was registered with the Ohio Secretary of State in January of 2016 by owner



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John Stalica.

3. At all times herein, Defendant was located at the same business location, 9689 Montgomery Road, Cincinnati, Ohio.
4. Defendant was engaged in the business of effecting "consumer transactions", either directly or indirectly, by soliciting and selling oriental rugs or other goods to consumers in Ohio for purposes that are primarily personal, family or household within the meaning specified in R.C. 1345.01(A).
5. Aria's Oriental Rugs, Inc., solicited and sold oriental rugs and other goods operated out of the same location under previous ownership.
6. Aria's Oriental Rugs, Inc. entered into an Assurance of Voluntary Compliance with the Attorney General's Office in December of 2009 (2009 Assurance). At that time, Aria's Oriental Rugs, Inc. agreed that certain acts and practices were violations of the Consumer Sales Practices Act, R.C. 1345.02(A) and the Distress Sale Rule, O.A.C. 109:4-3-17(B)(2) and 109:4-3-17(B)(5).
7. Defendant has represented that it is not related to Aria's Oriental Rugs, Inc. and was not aware of the previous violations of the Consumer Sales Practices Act and Distress Sale Rule by Aria's Oriental Rugs, Inc.
8. In May through July, 2017, Defendant advertised a distress sale to Ohio consumers in connection with the closing of its only store, located at 9689 Montgomery Road in Cincinnati, Ohio.
9. The building where Aria Rug Center is located has not been sold since December 2015.
10. A brochure advertising "Building SOLD," "Store CLOSING," "We Have To Vacate The Building," "EVERY Rug MUST Be SOLD," and "Now Buy Below Import Cost" was

distributed starting in May 2017.

11. Signs were hung on the store stating "BUILDING SOLD STORE CLOSING 85% OFF ALL RUGS."
12. On July 31, 2017, Defendant displayed an image of its store with the "BUILDING SOLD STORE CLOSING 85% OFF ALL RUGS" at the top of its website, www.aria-rugs.com.
13. Defendant advertised the distress sale in May through July of 2017 for greater than forty-five days.
14. None of these advertisements included the beginning and end dates of the distress sale.
15. In August 2017, the Plaintiff communicated with Defendant regarding its concerns about the advertising violating the Distress Sale Rule.
16. In September 2017, Defendant was still open and advertised a sale, but it no longer advertised a distress sale.
17. In October 2017, Defendant once again advertised a distress sale to Ohio consumers in connection with the closing of its only store.
18. In October 2017, Defendant circulated a postcard that stated "BUILDING SOLD STORE CLOSING NOV 20TH 85-90% OFF ALL RUGS." The postcard continued "We would like to thank you for your support over the years. Our building has been sold and we are in the **process of liquidating everything (rugs AND furniture)** to vacate the store. **All rugs are offered at 85-90% off!** This is the last chance to buy below import cost..."
19. Signs hung in the window of the store in October 2017 and stated "ARIA RUGS 85-90% OFF STORE CLOSING BY NOV. 20th."
20. In November 2017, the Plaintiff contacted Defendant via letter asking Defendant to substantiate that, in fact, the building had been sold and Defendant was closing its

business. Defendant failed to respond to the Plaintiff's inquiry letter.

21. Defendant did not close on November 20, 2017.
22. For several weeks in December 2017, a date several weeks after Defendant had advertised that the business would be closed, Defendant continued to advertise a distress sale to Ohio consumers in connection with the closing of its only store.
23. A sign hung on the store on December 11, 2017 stated "AUCTION THIS WEEKEND SAT-SUN-MON."
24. A sign hung in the window of the store on December 11, 2017 stated "FINAL AUCTION THIS WEEKEND."
25. On December 18, 2017, during Defendant's regular business hours, Defendant appeared to be closed, as the sale signs were removed from the business, the showroom was being dismantled, and only a small "CLOSED" sign remained on the building.
26. Defendant advertised the distress sale in October through December of 2017 for greater than forty-five days.
27. Plaintiff alleges that on March 29, 2018, rugs were once again being sold out of Aria Rug Center at 9689 Montgomery Road, Cincinnati, Ohio; however, Defendant asserts another entity, not Stalco Enterprises, Inc. was operating the sale.
28. Ownership of Defendant business has not changed hands since it closed in December 2017.
29. Defendant reopened its business within twelve months of its closing and advertising of a distress sale.

CONCLUSIONS OF LAW

30. The Court has jurisdiction over the subject matter, issues and parties to this Consent

Judgment pursuant to R.C. 1345.04.

31. The Court has venue to hear this case pursuant to Ohio Civ. R. 3 in that the transactions out of which this action arose occurred in Hamilton County.
32. Plaintiff is the proper party to commence these proceedings under the authority of R.C. 1345.07, and by virtue of his statutory and common law authority to protect the interests of the citizens of the State of Ohio.
33. Defendant is a "supplier," as that term is defined in R.C. 1345.01(C), as Defendant was, at all relevant times herein, engaged in the business of effecting consumer transactions with individuals in Ohio for purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.01(A) and (D).
34. Defendant has committed unfair and deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and O.A.C. 109:4-3-17 (B)(1) of the Distress Sale Rule by making representations concerning the cause, basis, reason, or necessity of a distress sale when such representations were untrue.
35. Defendant has committed unfair and deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and O.A.C. 109:4-3-17 (B)(2) of the Distress Sale Rule by advertising, conducting, or continuing a distress sale for a period greater than forty-five days without clearly and conspicuously disclosing in any advertisement that the distress sale was extended beyond the original forty-five days for an additional forty-five day period.
36. Defendant has committed unfair and deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and O.A.C. 109:4-3-17 (B)(5) of the Distress Sale Rule by failing to include in advertisements concerning a distress sale the opening and terminating dates of the sale.

37. Defendant has committed unfair and deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and O.A.C. 109:4-3-17(B)(10) of the Distress Sale Rule by making reference to a liquidation sale, or using terms of similar import, when Defendant was not, in fact, liquidating all of its assets for final sale.
38. Defendant has committed unfair and deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and O.A.C. 109:4-3-17 (B)(11) of the Distress Sale Rule by advertising, announcing, and conducting a going-out-of-business sale and subsequently reopening and resuming within twelve months of the distress sale under the same name when the ownership and/or control of the business remained the same.

ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

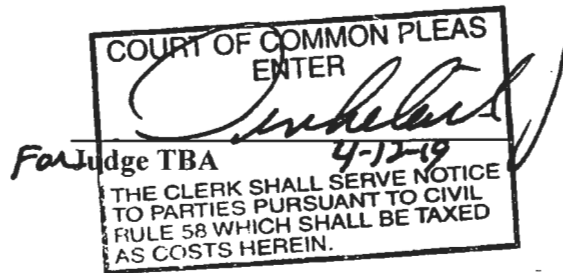
1. Plaintiff State of Ohio ex rel. Attorney General Michael DeWine's request for a Declaratory Judgment is GRANTED; and it is therefore DECLARED that the acts and practices enumerated in the Conclusions of Law set forth above violated the Consumer Sales Practices Act, R.C. 1345.01 *et seq.* in the manner set forth therein.
2. Defendant, its officers, partners, agents, representatives, salespersons, employees, independent contractors, successors, assigns and all other persons acting on behalf of Defendant directly or indirectly, through any corporate device or private device partnership or association in connection with any consumer transaction including any person or entity which purchases any interest in the business and continues to operate the business is hereby PERMANENTLY ENJOINED from engaging in practices that violate the Consumer Sales Practices Act, R.C. 1345.01 *et seq.*

3. It is ORDERED that, pursuant to R.C. 1345.07(D), Defendant is assessed a civil penalty of Three Thousand Seven Hundred and Fifty Dollars (\$3,750.00). Payment is due upon execution of this Consent Judgment. The civil penalty shall be made payable to the "Ohio Attorney General" and addressed to:

Compliance Officer – Consumer Protection Section
East Broad Street, 14th Floor
Columbus, OH 43215

4. Defendant has represented that it has no connection to Aria's Oriental Rugs, Inc. and the 2009 Assurance. Plaintiff has relied upon these representations and, if these representations are found to be untrue, it is ORDERED that Defendant shall be liable for the \$10,000 in penalties awarded and then suspended under the 2009 Assurance.
5. It is further ORDERED that in the event the Ohio Attorney General must initiate legal action or incur any costs to compel Defendant to abide by this Consent Judgment, upon proof of the violation, Defendant shall be liable to the Ohio Attorney General for any such costs associated with proving that violation, including, but not limited to, a reasonable sum for attorneys' fees.
6. It is further ORDERED that nothing in this Consent Judgment shall in any way preclude any investigation or enforcement actions against Defendant under any legal authority granted to the State for transactions not subject to this action.
7. It is further ORDERED that Defendant shall not represent, directly or indirectly, that the Court or the Ohio Attorney General has sanctioned, condoned, or approved any part or aspect of the Defendant's business operations.
8. This Court shall retain jurisdiction to enforce compliance with this Consent Judgment.

Date



Approved By:

/s/ Teresa A. Heffernan

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