



**AFTAB PUREVAL
HAMILTON COUNTY CLERK OF COURTS**

COMMON PLEAS DIVISION

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AFTAB PUREVAL
Clerk of Courts
Hamilton County, Ohio
CONFIRMATION 727825**

**STATE OF OHIO EX REL
ATTORNEY GENERAL
MICHAEL DEWI**

A 1802017

vs.

**STALCO ENTERPRISES INC
DBA ARIA RUG CENTER**

**FILING TYPE: INITIAL FILING (OUT OF COUNTY) WITH NO
JURY DEMAND**

PAGES FILED: 7

soliciting and selling oriental rugs or other goods to Ohio consumers for their personal, family or household use, within the meaning specified in R.C. 1345.01(A).

4. Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C. 1345.04 of the CSPA.
5. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(B)(3) and (6).

STATEMENTS OF FACTS

6. Defendant, Stalco Enterprises, Inc. dba Aria Rug Center is an Ohio corporation, whose principal place of business is located at 9689 Montgomery Road, Cincinnati, Ohio.
7. At all times herein, Defendant was located at the same business location, 9689 Montgomery Road, Cincinnati, Ohio.
8. Defendant is 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).
9. Defendant, under a previous name, 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, Defendant agreed that certain acts and practices were violations of the Consumer Sales Practices Act, R.C. 1345.02(A) and the Distress Sale Rule sections O.A.C. 109:4-3-17(B)(2) and 109:4-3-17(B)(5).
10. In Paragraph 26 of the 2009 Assurance, Defendant agreed to “keep the Office of the Attorney General apprised of any changes in address, telephone number, or change in ownership...”
11. Defendant, under the previous name or current name, never notified the Attorney

General's Office of any change in ownership.

12. In Paragraph 29 of the 2009 Assurance, the Defendant agreed to pay a civil penalty of \$10,000, which was suspended, conditioned upon "full compliance" with the terms of the Order. The provision was to continue for a period of 10 years.
13. On July 6, 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.
14. Signs hung on the store on July 6, 2017 stated "BUILDING SOLD STORE CLOSING 85% OFF ALL RUGS."
15. Upon information and belief, Defendant may have hung these signs as early as June 2017.
16. 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.
17. The building where Aria Rug Center is located has not been sold since December 2015.
18. In August 2017, the Plaintiff communicated with Defendant regarding its concerns about the advertising violating the Distress Sale Rule.
19. In September 2017, Defendant advertised a sale, but it was no longer advertising a distress sale.
20. In October 2017, Defendant once again advertised a distress sale to Ohio consumers in connection with the closing of its only store.
21. Signs hung in the window of the store on October 27, 2017 stated "ARIA RUGS 85-90% OFF STORE CLOSING BY NOV. 20th."
22. 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.
23. On December 11, 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.
24. A sign hung on the store on December 11, 2017 stated "AUCTION THIS WEEKEND SAT-SUN-MON."
25. A sign hung in the window of the store on December 11, 2017 stated "FINAL AUCTION THIS WEEKEND."
26. 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.
27. On March 29, 2018, Defendant was once again open for business.
28. Ownership of Defendant business has not changed hands since it closed in December 2017.
29. Defendant has reopened its business within twelve months of its closing and advertising of a distress sale.

PLAINTIFF'S CAUSE OF ACTION:
VIOLATIONS OF THE CSPA

COUNT I:
VIOLATIONS OF THE DISTRESS SALE RULE

30. Plaintiff incorporates by reference, as if fully rewritten herein, the allegations set forth in paragraphs one through Twenty-nine (1-29) of this Complaint.
31. 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 representation was untrue.

32. 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.
33. 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.
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)(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.

COUNT II:
FAILURE TO COMPLY WITH AN ASSURANCE OF VOLUNTARY COMPLIANCE

35. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Thirty-four (1-34) of the Complaint.
36. Defendant has committed unfair acts and practices, in violation of the CSPA, R.C. 1345.02(A), by failing to comply with the Assurance of Voluntary Compliance entered into on December 11, 2009, with the Plaintiff pursuant to R.C. 1345.06(F)(2).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests that this Court:

1. ISSUE an order declaring that Defendant has engaged in acts and practices in violation of the CSPA, R.C. 1345.01 *et seq.* as enumerated in this Complaint, and that such conduct constitutes a violation of the 2009 Assurance.
2. ISSUE a permanent injunction enjoining the Defendant, its agents, servants, employees, successors or assigns, and all persons acting in concert and participation with it, directly or indirectly, through any corporate device, partnership, or other association, under this or any other names, from engaging in the acts and practices which violate the CSPA.
3. ORDER Defendant to reimburse all consumers injured by the conduct of the Defendant as set forth in the complaint.
4. ORDER Defendant to pay the civil penalty of \$10,000 previously agreed to and suspended in the 2009 Assurance.
5. ASSESS, FINE, and IMPOSE upon Defendant an additional civil penalty of \$25,000 for each separate and appropriate violation described herein pursuant to R.C. 1345.07(D).
6. As a means of insuring compliance with this Court's Order and with the consumer protection laws of Ohio, ORDER Defendant, its successors or assigns, under the name Stalco Enterprises, Inc., Aria Rug Center, or any other name, to maintain in its possession and control for a period of three (3) years all business records relating to Defendant's solicitation or effectuation of consumer transactions in Ohio and to permit the Ohio Attorney General, through his representative, upon reasonable notice, to inspect and/or copy any and all of said records and further ORDER that copies of such records be

provided at Defendant's expense to the Ohio Attorney General upon request of the Ohio Attorney General or his representatives.

7. ORDER Defendant to reimburse Plaintiff for all costs associated with the investigation and prosecution of this action, including investigative costs and court costs.
8. GRANT such other relief as Court deems to be just, equitable, and appropriate.

Respectfully submitted,

MICHAEL DEWINE
Ohio Attorney General

/s/ Teresa A. Heffernan

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