



November 18, 2015

VIA EMAIL

Robert Kaufman, President
Ted J. English, CEO
John J. Sullivan, Chief Administrative Officer / Chief Financial Officer
Bob's Discount Furniture
428 Tolland Tpke
Manchester, CT 06042



Re: Bob's Discount Furniture's Continuous Deceptive Advertising of "Interest Free" Financing

Dear Mr. Kaufman, Mr. English, and Mr. Sullivan:

As you know, in September 2014, TINA.org notified you of our investigation into Bob's Discount Furniture's "interest free" financing offer. At the time, we found that the advertising of the offer did not clearly and conspicuously disclose certain terms and was therefore deceptive, and requested that Bob's make timely changes to its marketing. Unfortunately, no noticeable changes to Bob's marketing of the financing offer were forthcoming.

As a result, we filed a complaint in November 2014 with the Connecticut Attorney General's Office and the Connecticut Department of Consumer Protection regarding Bob's failure to make three critical pieces of information clear to consumers prior to making a purchase: (1) that if the balance is not paid off in full by the offer expiration date, interest will be back-charged to the date of purchase; (2) that if the balance is not paid off in full by the deadline, the interest rate imposed will be 27.99%; and (3) that in order to pay the balance off in full in the required time period and avoid interest charges, consumers must pay in excess of the monthly bills they receive. The Connecticut Department of Consumer Protection then

commenced its own investigation and ultimately instructed Bob's to make changes to its marketing.

Among the changes requested by the State, as explained in a letter sent to the Department on behalf of Bob's on April 20, 2015, were (1) change in-store signs so that details about the "interest free" option are larger and more conspicuous, and so that it is clear that customers will need to pay more than the monthly statement each month in order to avoid interest charges, and (2) enhance employee training materials so that employees reinforce the conditions of the "interest free" offer when explaining the option to customers.

It has been approximately six months since Bob's represented that it implemented these changes to its marketing, and over a full year since TINA.org originally put Bob's on notice of the deceptive advertising, and yet TINA.org – which, in the last several weeks, has visited numerous Bob's stores throughout Connecticut – is still observing many instances of deceptive marketing of this financing offer.

Specifically, TINA.org visited six Bob's locations – in Orange, Bridgeport, Niantic, Newington, Southington, and Stamford – between October and November 2015. Though some stores (three out of the six visited) are using updated signs that disclose both the fact that any accrued interest will be back-charged to the date of purchase, as well as the need to make more than the monthly payments to avoid interest, **three** out of the six stores are still using the old signs that fail to clearly and conspicuously disclose the terms of the offer, while one of the six stores visited is using a combination of both the old and the new signs.

Similarly, though some stores (three out of the six visited) employ a sales staff that, when visited by TINA.org, disclosed that interest will be charged from the purchase date if not paid in full within the promotional period, the staff at **three** stores did not disclose this fact, and the staff at **all six** stores failed to disclose the need to pay more than the monthly balance each month in order to avoid paying interest on the entire purchase.

In short, TINA.org's ongoing investigation has found that Bob's continues to deceptively market its "interest free" financing offer, despite its assurances to the Department of Consumer Protection and despite the generous amount of time it has had to fully implement the promised changes. There is simply no excuse for the ongoing deception. For the sake of consumers, who continue to be misled and then surprised by large interest fees despite having signed up for "interest free" financing, we trust Bob's will immediately and fully correct these issues throughout all of its stores to ensure that no other deceptive advertising exists, and to avoid the need for the State to reopen its investigation.

Sincerely,



Laura Smith, Esq.
Legal Director
Truth in Advertising, Inc.



Cc: Jonathan A. Harris, Commissioner
Lila McKinley, Staff Attorney
Connecticut Department of Consumer Protection