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## Lamps Plus to Pay \$4.1 Million to Settle Civil Suit Alleging False Advertising

## Company Used 'Comparable Value' Sales Tags Illegally

San Diego County County District Attorney <u>Summer Stephan</u> announced today that Lamps Plus, Inc., a California Corporation, Illumine Midco, Inc., and Illumine Finco, Inc., have entered into a stipulated judgment and will pay a total of \$4.1 million dollars to settle a civil law enforcement complaint that alleges Lamps Plus engaged in false advertising and unfair competition. The Consumer Protection Units of the District Attorney Offices of San Diego, San Bernardino, Riverside, and Los Angeles counties investigated and prosecuted this matter, and the case was filed in Riverside County Superior Court.

The civil complaint filed by prosecutors alleged that Lamps Plus unlawfully advertised price protection policies— including a price match and a 120% price match guarantee— without clear and conspicuous disclosures that such policies did not include Lamps Plus own-brand products and contained other exclusions.

Lamps Plus is also alleged to have used the "Compare at" and "Comparable Value" sales tags to indicate a bargain price, even where the product sold was an own-brand product with no competitor product in the market or where the comparable product was not of similar design and quality. Likewise, the "Strike Through" advertised reference price on sales tags is alleged to have been used to indicate a bargain price even where the advertised former price was not an actual former price.

"Civil actions like this one protect the consumer and hold corporations accountable when they fail to follow the laws in place to ensure the public is getting accurate and fair pricing information on products they purchase," said DA Stephan. "By joining forces with other District Attorney Offices in the state, our combined efforts are protecting Californians up and down the state."

The Judgment requires Lamps Plus to pay \$3,800,000 in civil penalties and \$300,000 in costs to cover investigative costs and support future enforcement of consumer protection laws. Lamps Plus has not admitted any liability or wrongdoing but cooperated with the District Attorneys' investigation.



The judgment includes an injunction that prohibits Lamps Plus from offering a 120% Price Protection Policy, and from advertising any Price Match Guarantee Policy in a manner that results in the Price Protection Guarantee Policy being false or misleading.

The judgment also prohibits advertising of any advertised reference price based on a formula, algorithm, or other method that results in the advertised reference price being false or misleading or results in the advertised reference price having the tendency or capacity to deceive or mislead.

In San Diego, the case was handled by Deputy District Attorney Colleen E. Huschke of the DA's Consumer Protection Unit. The <u>DA's Economic Crimes Division</u> is responsible for prosecuting a wide variety of wrongdoing, including elder financial abuse, computer intrusion, complex identity theft, investment scams, embezzlements, real estate, counterfeit goods, environmental crimes and the theft of public assistance funds. The Division's Consumer Protection Unit protects San Diego consumers and honest businesses by filing civil and criminal actions to prohibit unfair business practices within the marketplace.

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## About the San Diego County District Attorney's Office

The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County.

