## UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

## **COMMISSIONERS:**

Joseph J. Simons, Chairman Noah Joshua Phillips Rohit Chopra Rebecca Kelly Slaughter Christine S. Wilson

## **Course of Conduct**

4. From at least August 2014 through April 15, 2018, Respondents used, in their form contracts offered to prospective customers in the course of selling their goods and services, the following provision:

CUSTOMER and COMPANY agree that the within contract is a private and confidential matter and that the terms and conditions of the contract, including the estimates and all pricing shall remain private and confidential and shall not be made public, or given to anyone to make public, INCLUDING THE BETTER BUSINESS BUREAU. Customer also agrees not to file any complaints with the Better Business Bureau, and agrees to attempt to resolve their complaints by contacting COMPANY in writing directly. Should the CUSTOMER breach this confidentiality clause, the CUSTOMER agrees to pay COMPANY liquidated damages equal to the actual amount of damages suffered or two times the contract price, whichever shall be higher. <u>THE COMPANY MAY ALSO BE</u> <u>AWARDED COUNCIL [sic] FEES AND COSTS AS REQUESTED BY COMPANY</u>.

A copy of the Waldron Electric "Trip Fee – Diagnostic – Misc. Agreement" that includes this language is attached as Exhibit A hereto. Respondents' form contracts were in effect on or after December 14, 2017.

## VIOLATION OF THE CONSUMER REVIEW FAIRNESS ACT

5. The Consumer Review Fairness Act of 2016 ("CRFA"), Pub. L. No. 114-258, 15 U.S.C. § 45b, was enacted on December 14, 2016. As of March 14, 2017, Section 2(b) of the CRFA renders void, and Section 2(c) of the CRFA prohibits the offering of, provisions in form contracts that: prohibit or restrict individual consumers' ability to communicate reviews, performance assessments, and similar analyses about a seller's goods, services, or conduct; or that impose a penalty or fee against individual consumers who engage in such communications. 15 U.S.C. §§ 45b(a)(2), 45b(b)(1), and 45b(c).

6. The Commission is authorized to enforce Section 2(c) of the CRFA in the same manner, by the same means, and with the same jurisdiction, powMC ET BT /Artif (a)6 (tio)2 (n)]TJ 0 Tc c 0 Tw-2