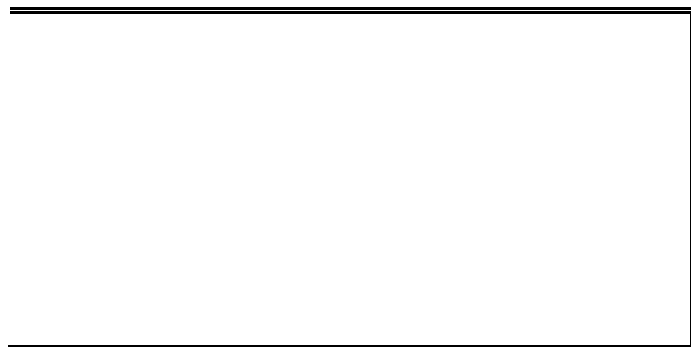


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R-values of either “R-3” for its thinner product, or “R-6” for its thicker product, and consequently, significant energy savings for consumers. However, IDI cannot substantiate these claims. Indeed, they are false. Even IDI’s “R-6” product has an R-value of substantially less than R-1. IDI’s claims are not established by valid scientific testing. Because IDI continues to pass on these deceptive claims in commerce to the injury of consumers, the FTC seeks equitable relief, including an injunction.

Jurisdiction and Venue

3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b), and other applicable provisions.

4. Venue is proper in this district under 28 U.S.C. § 1391(b)(1), (b)(2), (c)(2), and (d) and 15 U.S.C. § 53(b).

Plaintiff

5. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

6. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. § 53(b).

Defendant

7. IDI is a Delaware corporation with its principal place of business at 124 Cherry Street, Pittsburgh, PA 15215. IDI transacts or has transacted business in this district and throughout the United States. At all times material to this Complaint, IDI has manufactured,

advertised, offered for sale, and sold products to consumers, including Insultex House Wrap to consumers throughout the United States

Commerce

8. The acts and practices of Defendant alleged in this Complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act.

IDI’s Business Practices

9. Since at least November 2011, Defendant has disseminated or has caused the dissemination of advertising, packaging, and promotional materials for Insultex House Wrap, including through advertisements on its website and printed materials for its retailers.

10.

summers of the South, we are looking forward to lower air conditioning usage.” *See* Exhibit D.

- E. “I am writing this to thank you for your product and let you know how satisfied we are after purchasing and installing Insultex R-6 House Wrap on our home. We had new siding put on our home and took the opportunity to wrap our 35 year old home with this wonderful product Since the installation was completed in December of 2014 our utility bill has dropped 40%. We normally have high heating bills in the winter even though I live in Texas due to the fact that my home is heated by electric heat and can cost me more a month than A/C in the summer. I have never had winter bills so low.” *See* Exhibit D.

IDI claims that scientific testing establishes its R-values

19. Defendant’s claim of an R-value strongly implies testing because an R-value can only be established by ongly iu w(a1c.0008 Tw -Tw 3 0 m)8.iBaits R-valgier eA/Clabels, the fc tesely ime7(nts

21. Defendant's promotional materials compare Insultex House Wrap's claimed R-value of R-3 or R-6 to competing house wrap products, such as Tyvek, as having an R-value of R-0. These comparisons convey that IDI based its claims on testing. *See, e.g.*, Exhibits A and B (Testing Comparison pages in each brochure).

IDI's R-value related claims are false or unsubstantiated

22. Defendant did not possess and rely upon competent and reliable testing for the R-values it claimed for Insultex House Wrap. Defendant's purported test data does not have a reasonable technical basis. Defendant's test data is not substantiation. Defendant's R-value claims are not established by testing.

23. Insultex House Wrap does not restrict heat flow to the extent claimed by Defendant. Insultex House Wrap does not have an R-value of R-3 or R-6. Indeed, the R-value of Insultex House Wrap is substantially less than 1, and thus, Defendant's R-value claims are false.

24. Consequently, Insultex House Wrap does not significantly insulate, let alone at the levels IDI claims. Defendant's energy savings claims are false or unsubstantiated.

IDI's claims are material and the means and instrumentalities of deception

25. Defendant's R-value-related claims are material because they are likely to affect consumers' decisions to purchase Insultex House Wrap. Indeed, Defendant touted its purported R-value and resulting energy savings to consumers as a basis of superiority over competing house wrap products.

26. Defendant also provided its deceptive promotional materials to independent builders, dealers, installers, and building supply stores ("Resellers"), who in turn passed on the deceptive claims to consumers who were buying or renovating their homes. Through these

Count II

False Establishment Claim of R-values

31. In connection with the advertising, promotion, offering for sale, or sale of Insultex House Wrap, Defendant has represented, directly or indirectly, expressly or by implication, that testing establishes R-values of R-6 or R-3 for Insultex House Wrap.

32. In fact, testing does not establish these R-values. Therefore, the representations are false or misleading and constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count III

Means and Instrumentalities

33. By furnishing Resellers with promotional materials for Insultex House Wrap, including printed materials such as brochures, that make false or misleading representations, Defendant has provided the means and instrumentalities that constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Consumer Injury

34. Consumers have suffered and will continue to suffer substantial injury as a result of Defendant's violations of the FTC Act. In addition, Defendant has been unjustly enriched as a result of its unlawful acts or practices. Absent injunctive relief by this Court, Defendant is likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

This Court's Power to Grant Relief

35. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations

of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

Prayer for Relief

36. Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

A. Award Plaintiff such ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including a preliminary injunction;

B. Enter a permanent injunction to prevent future violations of the FTC Act by Defendant;

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and

D. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

Date: 11/3/2016

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