

## CONSENT AGREEMENT

**THIS AGREEMENT** is made the 31<sup>st</sup> day of *March*, 1999 **BETWEEN** the **FAIR TRADING COMMISSION** a body corporate with offices at 52 Grenada Crescent, Kingston 5 in the parish of Saint Andrew (hereinafter called the Commission) of the **FIRST PART** and **HOMELECTRIX LIMITED** of the **SECOND PART**.

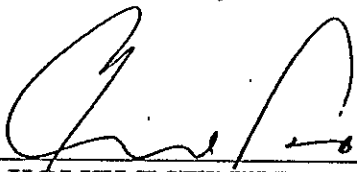
### **WHEREAS:**

- (1) **Netx Computer Systems Limited** (hereinafter called the Complainant) lodged a complaint with the Commission alleging that on December 12, 1995, it purchased the "Royal Leather Five Piece Sofa" (hereinafter called the sofa) from Homelectrix Limited for Sixty-Three Thousand, Two Hundred and Forty-Seven Dollars and Seventy Cents (\$63,247.70). Homelectrix Limited described the sofa as having Buffalo Leather upholstery, polyurethane foam cushions and hard wood frame construction. However on or around December 1997, the Complainant discovered that a large portion of the sofa is made of synthetic plastic with mesh lining, instead of leather as was advertised.
- (2) The Commission launched an investigation into the Complainant's allegations and was advised by the Bureau of Standards in a letter dated August 11, 1998 that only the top panels of the seat, the inner back and arms of the sofa are made of leather. All other areas are made of synthetic material. The Bureau of Standards' expert opinion is that with normal domestic use, the sofa should last for at least (5) years, however if it were made entirely of leather, it should with normal domestic use, last for at least ten (10) years.
- (3) By describing the sofa as "leather" when it is made largely of synthetic material, Homelectrix Limited breached Section 37 of the Fair Competition Act, which prohibits businesses from making false or misleading representations to the public.

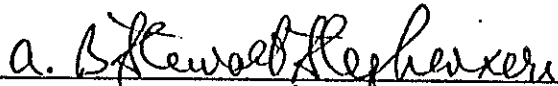
### **IT IS HEREBY AGREED BETWEEN THE PARTIES THAT:**

- (4) Homelectrix Limited will recall the sofa and refund the Complainant the sum of Forty Four Thousand, Two Hundred and Seventy-Three Dollars and Thirty-Nine Cents (\$44,273.39), representing the purchase price for the sofa, less the sum of Eighteen Thousand, Nine-Hundred and Seventy-Four Dollars and Thirty-One Cents (\$18,974.31) for three years' depreciation, calculated using the straight line method and based on a life expectancy of ten (10) years.
- (5) Homelectrix Limited will pay the Commission costs in the sum of Thirty-Six Thousand Dollars (\$36,000.00).
- (6) The parties hereto agree to waive any and all further procedural steps, all rights to seek judicial review, or otherwise to challenge or contest the validity of this Agreement.
- (7) Should Homelectrix Limited fail to implement the terms herein agreed to within thirty (30) days of the date hereof, the Commission may thereafter withdraw its acceptance of this Agreement and take such action as it considers appropriate and so notify Homelectrix Limited or issue and serve a Complaint in such form as the circumstances may require.
- (8) The Commission reserves the right to use the facts of the complaint against Homelectrix Limited in its public education programme.

(9) Homelectrix Limited understands and accepts that formal proceedings may be instituted by the Commission if it fails to abide by this Agreement.



HOMELECTRIX LIMITED



EXECUTIVE DIRECTOR/CHAIRMAN  
for FAIR TRADING COMMISSION