

NY Attorney General Secures Settlement Over Misleading Sales

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Over the past year, there has been an increase in the number of lawsuits and regulatory investigations involving how retailers advertise discounts and sales. In these cases, challengers have generally alleged that the retailers misled consumers into believing they're getting a good deal during a sale, when the sale price is actually the price at which an item is usually sold. Last week, the NY Attorney General announced the latest settlement in this area.

The AG's office started tracking Hobby Lobby ads that promoted 30% off and 50% off sales, and discovered that the company advertised certain products as being on sale for more than 52 consecutive weeks. The AG determined that these "never-ending" sales violated New York laws. As part of the settlement, the company agreed to change its advertising practices, contribute \$138,600 in supplies to public schools in Upstate New York, and pay \$85,000 in civil penalties and costs.

If you're a retailer, you should pay close attention to these recent cases (including [this one](#)) and state pricing laws, particularly when you're advertising discounts, sales, or other price reductions. If you aren't careful with how you structure your sales, they could cost you a lot of money.