

Monday, May 14, 2007

SLEEPY'S AGREES TO PAY \$200,000 TO RESOLVE COMPLAINTS AND SETTLE DECEPTIVE SALES CHARGES

DCA Secures Significant Restitution, Penalties, and New Compliance Protocols

New York City Department of Consumer Affairs (DCA) Commissioner Jonathan Mintz today announced an agreement halting the deceptive sales tactics of Sleepy's. As part of the settlement, Sleepy's has agreed to pay a total of \$200,000, which includes restitution to consumers and penalties, as well as a commitment to new policies and procedures to achieve full compliance with local and State laws. The settlement marks a conclusion to the agency's extensive investigation into approximately 300 consumer complaints filed over the past three years through DCA or referred to the Department by other agencies including the New York State Attorney General's Office and the Better Business Bureau. The Department is submitting the agreement to the New York Supreme Court on May 14th for approval.

"This is a significant agreement that will go a long way toward protecting New Yorkers when it comes to mattress quality and delivery," said Commissioner Mintz. "We are pleased that Sleepy's has agreed to do right by their customers, both those injured in the past and others moving forward, and that they have promised to adhere to important licensing and consumer protection regulations."

DCA launched an investigation into Sleepy's in October 2005 for deceptive and unfair sales practices based on a pattern of consumer complaints. DCA uncovered multiple violations, charging that the retailer:

- Exchanged defective mattresses with equally defective mattresses.
- Charged an additional delivery fee to consumers for an exchange of damaged mattresses.
- Failed to deliver items when scheduled, and did not properly inform or offer customers a store credit or refund.
- Refused to honor manufacturer warranties because of alleged stains.

As part of its settlement with DCA, Sleepy's has agreed to:

- Charge no delivery fees to return damaged merchandise within the first three months after purchase.
- Implement prescribed procedures to prevent delivery of damaged mattresses.
- Notify customers of their legal rights to return and credit whenever merchandise is not delivered on time.
- Honor manufacturer warranties for all merchandise, including those with alleged stains.
- Modify training procedures and materials to ensure that these changes become official citywide policy.
- Comply with all local and State licensing and consumer protection regulations.

"The size of this settlement agreement should also serve as a loud and clear message to other retailers about what New Yorkers – and this Department – have every right to expect," added Commissioner Mintz.

Sleepy's has also submitted applications to get its "New and Almost New" stores licensed as secondhand dealers.

Consumers with complaints against Sleepy's, whether they have filed with the Department yet or not, should contact DCA with details, including proof of purchase.

To file a complaint, call 311 (or 212-NEW-YORK) or visit DCA's Web site at www.nyc.gov/consumers.

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