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PARTY CITY PAYS HALF A MILLION DOLLARS IN FINES TO CITY TO SETTLE LAWSUIT CHARGING REPEATED DISPLAY AND SALE OF ILLEGAL FAKE GUNS

Department of Consumer Affairs Requires Party City to Hire Independent Monitor for Weekly Inventory Inspections and Review of its New York City Advertising

Commissioner Mintz Issues Consumer Alert Warning Parents Purchasing Halloween Costumes Not to Purchase Fake Guns that Look Real

The New York City Department of Consumer Affairs (DCA) today announced a \$500,000 settlement with Party City Corporation, the largest settlement involving the sale of illegal imitation firearms in the Department's history.

"Fake guns that look real aren't toys. In fact, they're so dangerous that selling them is illegal," said Consumer Affairs Commissioner Jonathan Mintz. "The City is committed to cracking down on every single violator of this public safety law and will seek maximum penalties when businesses fail to get the message."

In April, 2008, DCA charged Party City with nearly 800 counts of violating the City's imitation gun law. As part of the settlement, Party City paid half a million dollars in fines to the City and will not sell or advertise illegal fake guns in New York City in the future. Most notably, DCA required Party City to pay for an independent monitor who will perform unannounced weekly inspections of Party City's shelves and review its advertising in New York City over the next year. Further, to ensure Party City's compliance, the settlement allows DCA to double the fine for future imitation gun violations from \$1,000 to \$2,000.

Under New York City's Public Safety Law, it is illegal to sell or offer to sell a fake or imitation firearm that can be reasonably perceived to be an actual firearm, unless the majority of the exterior surface of the illegal, fake or imitation firearm is brightly colored. The range of acceptable colors include: white, bright red, bright orange, bright yellow, bright green, bright blue, bright pink, and bright purple.

In 2003, the Department settled charges against Party City that included a payment of \$150,000 in fines and a commitment not to sell illegal fake guns.

Since 2002, DCA enforcement teams have removed more than 7,000 guns from the shelves of more than 220 stores throughout the City, and levied \$3.3 million in fines. More than 95 percent of stores that were issued violations in the past were in compliance upon follow-up inspections.

Commissioner Mintz also issued a consumer alert today, reminding New Yorkers purchasing Halloween costumes that they should not purchase fake guns that look real. Fake guns can only be legally sold if they are predominantly brightly colored. To report a store or vendor selling fake guns that look real, call 311 or visit the Department of Consumer Affairs' Web site at <u>www.nyc.gov/consumers</u>.

DCA enforces the Consumer Protection Law and other related business laws throughout New York City. Ensuring a fair and vibrant marketplace for consumers and businesses alike, DCA licenses more than 60,000 businesses in 55 different categories. Through targeted outreach, partnerships with community and trade organizations, and informational materials, DCA educates consumers and businesses about their rights and responsibilities. For more information, call 311 or visit DCA online at www.nyc.gov/consumers.