

**IN THE CIRCUIT COURT OF THE
SECOND JUDICIAL CIRCUIT IN AND
FOR LEON COUNTY, FLORIDA**

**STATE OF FLORIDA
OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LEGAL AFFAIRS,**

Plaintiff,

CASE NO.

vs.

**FRIEDMAN'S, INC.,
d/b/a FRIEDMAN'S JEWELERS,**

Defendant.

_____ /

COMPLAINT

Plaintiff, **STATE OF FLORIDA, OFFICE OF THE ATTORNEY GENERAL,
DEPARTMENT OF LEGAL AFFAIRS** sues Defendant, **FRIEDMAN'S, INC., d/b/a
FRIEDMAN'S JEWELERS**, and alleges:

1. This is an action for injunctive and other statutory relief brought pursuant to the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Fla. Stat. (2004).

2. The Plaintiff is an enforcing authority under § 501.203(2), Fla. Stat. (2004), and is authorized to bring this action and seek injunctive and other statutory relief pursuant to § 501.207, Fla. Stat. (2004).

3. In accordance with § 501.207(2), Fla. Stat. (2004), the Attorney General, Charles J. Crist, Jr., has reviewed this matter and has determined that this enforcement action serves the public interest.

4. The Court has jurisdiction in this matter pursuant to § 501.207(3), Fla. Stat. (2004).

DEFENDANT

5. Defendant Friedman's, Inc., d/b/a Friedman's Jewelers, (hereinafter "Friedman's") is a business incorporated under the laws of Delaware, whose headquarters and principal place of business is located at 4W State Street, Savannah, Georgia 31401.

6. At all material times herein Friedman's is, and has been, engaged in substantial and not isolated activity within the State of Florida pursuant to § 48.193(2), Fla. Stat. (2004).

DEFENDANT'S BUSINESS ACTIVITIES

7. Friedman's is a retail jewelry business that markets, sells and distributes jewelry.

8. Friedman's is engaged in the business of advertising, offering for sale and selling jewelry in approximately 650 stores located throughout 21 states.

9. Friedman's operates approximately 56 stores located in the State of Florida, including Leon County, Florida.

10. In conjunction with its retail jewelry business, Friedman's extends credit to Florida customers who purchase jewelry and also sells property, life and disability insurance to its customers purchasing jewelry.

11. Friedman's uses a Retail Installment Contract in connection with extending credit to Florida customers. (Contract exemplar attached hereto as Exhibit A.)

12. Friedman's Retail Installment Contract contains a "Statement of Insurance" which includes the following application to buy credit or property insurance:

Application of Buyer

You are applying for the insurance marked above. Your signature

below means that you agree that:

1. You are not eligible to enroll for credit life insurance if you have reached your 71st birthday. You are not eligible to enroll for credit disability insurance if you have reached your 65th birthday.
2. You are eligible for disability insurance only if you are working for wages or profit 30 hours a week or more on the coverage Effective Date.
3. Your co-borrower is not eligible for life nor disability insurance.
4. You want to purchase the above checked insurance and you received a copy of the insurance policy.

13. The Statement of Insurance provision allows Friedman's customers to apply for credit life insurance, credit disability insurance and property insurance when purchasing jewelry.

14. Defendant Friedman's charges consumers, who finance the purchase of jewelry merchandise, premiums for credit life insurance, credit disability insurance and property insurance and such insurance charges are placed on the Retail Installment Contract.

15. The insurance premium amounts listed in the Statement of Insurance are then incorporated into the total financed amount within the "Itemization of the Amount Financed" section of the Retail Installment Contract.

16. There is place for the consumer's signature reflecting that the consumer agrees to the terms set forth in the Application of Buyer provision of the Retail Installment Contract.

DEFENDANT'S UNLAWFUL CONDUCT

17. Friedman's charged Florida consumers for insurance who did not sign the Application of Buyer provision authorizing the purchase of insurance.

18. Friedman's also charged Florida consumers for insurance who did sign the Application of Buyer provision but who were not aware that they were purchasing insurance in conjunction with purchasing jewelry merchandise.

19. Friedman's, either directly or indirectly, routinely failed to clearly and conspicuously disclose to Florida customers when purchasing jewelry merchandise that the purchase of credit life, credit disability and property insurance was optional.

20. Friedman's's employees told some Florida consumers when purchasing jewelry merchandise that purchasing credit life, credit disability and property insurance was required.

21. In conjunction with its sale of jewelry merchandise Friedman's collected, or attempted to collect, credit insurance premiums from Florida consumers who did not sign the application for insurance or who were not aware that they were purchasing credit insurance.

22. Friedman's has not clearly and conspicuously disclosed to consumers all material terms and conditions related to the purchase of credit life, credit disability and property insurance.

23. Friedman's has made representations to Florida consumers that it offers revolving credit for purchases of jewelry merchandise, when in fact Friedman's does not offer a credit card or charge card as part of a revolving credit account.

**DEFENDANT'S DECEPTIVE AND UNFAIR TRADE PRACTICES
IN VIOLATION OF CHAPTER 501, PART II, FLA. STAT. (2004)**

24. The Plaintiff re-alleges paragraphs 1 through 23.

25. Section 501.204(1) of the Florida Unfair and Deceptive Trade Practices Act (Ch. 501, Part II, §§ 501.201 *et seq.*) makes “[u]nfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce” unlawful.

26. Friedman's was and is engaging in “trade or commerce” as defined in § 501.203(8),

Florida Statutes (2004).

27. Friedman's has engaged in unfair or deceptive acts or practices in the conduct of its trade or commerce in violation of § 501.204(1), Fla. Stat. (2004):

(a) By charging Florida consumers for credit life, credit disability and property insurance without the consumer's written authorization and without clear and conspicuous disclosure to the consumer prior to purchasing such insurance;

(b) By selling or offering to consumers credit life, credit disability and property insurance without clear and conspicuous disclosure of all material terms and conditions of such insurance prior to purchase; and

(c) By representing to consumers that Friedman's offers a line of credit or charge card as part of a revolving credit account when, in fact, Friedman's does not.

_____28. All of the acts and practices engaged in and employed by Friedman's, as alleged herein, are unfair and deceptive to Florida consumers in violation of the Florida Unfair and Deceptive Trade Practices Act.

RELIEF REQUESTED

WHEREFORE, Plaintiff, State of Florida, Office of the Attorney General, Department of Legal Affairs, asks for judgment:

A. Permanently enjoining Defendant Friedman's, Inc., d/b/a Friedman's Jewelers, its officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of the injunction, from engaging in methods, acts or practices which are deceptive or unfair acts and practices. More specifically, the Plaintiff asks the court to temporarily and permanently enjoin Friedman's as follows:

(1) Prohibit Friedman's from charging Florida consumers for credit life, credit disability and property insurance without the consumer's written authorization and without clear and conspicuous disclosure to the consumer prior to purchasing such insurance;

(2) Prohibit Friedman's from collecting, or attempting to collect, premiums from Florida consumers for credit life, credit disability and property insurance without the consumer's written authorization and without clear and conspicuous disclosure to the consumer prior to purchasing such insurance;

(3) Prohibit Friedman's from selling or offering to consumers credit life, credit disability and property insurance without clear and conspicuous disclosure of all material terms and conditions of such insurance prior to purchase;

(4) Prohibit Friedman's from making representations to consumers that it offers a credit or charge card as part of a revolving credit account when, in fact, it does not; and

(5) Prohibit Friedman's from engaging in unfair methods of competition or deceptive or unfair acts or practices as described herein, in violation of Chapter 501, Part II, Fla. Stat. (2004).

B. Awarding Plaintiff actual damages and interest on behalf of consumers injured by the unfair competition or deceptive or unfair acts or practices of Friedman's, in accordance with § 501.207(1)(c), Fla. Stat. (2004).

C. Assessing Friedman's civil penalties in the amount of ten thousand dollars (\$10,000) for each violation of Chapter 501, Part II, pursuant to § 501.2075, Fla. Stat. (2004) and civil penalties in the amount of fifteen thousand dollars (\$15,000) for each violation victimizing a senior citizen or handicapped person pursuant to § 501.2077, Fla. Stat. (2004).

D. Awarding reasonable attorney's fees and costs to the Attorney General pursuant to §§ 501.2105 and 501.2075, Fla. Stat. (2004).

E. Awarding restitution for consumers who have been injured by Friedman's unlawful actions.

F. Requiring that Friedman's disgorge all revenue generated as a result of its unfair and deceptive practices as set forth herein.

G. Declaring Friedman's practices described in this complaint unlawful.

H. Granting such other relief as this court deems just and proper.

Respectfully submitted,

CHARLES J. CRIST, JR.
ATTORNEY GENERAL

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