

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

2006 JUN 13 AM 11:25
CLERK OF COURT

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
 THE STANLEY WORKS,)
)
 a corporation.)
)
 Defendant.)

CIVIL ACTION NO.

306 CV 00883

JBA

CONSENT DECREE

WHEREAS: Plaintiff, the United States of America, has commenced this action by filing the Complaint herein; Defendant, The Stanley Works, has waived service of the Summons and Complaint; the parties have been represented by the attorneys whose names appear hereafter; and the parties have agreed to settlement of this action upon the following terms and conditions, without adjudication of any issue of fact or law and without Defendant admitting liability for any of the matters alleged in the Complaint;

THEREFORE, on the joint motion of plaintiff and Defendant, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

1. This Court has jurisdiction over the subject matter and the parties.
2. The Complaint states a claim upon which relief may be granted against Defendant under Sections 5(l), 13(b) and 16(a) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(l), 53(b) and 56(a).

DEFINITIONS

3. "Commerce" means as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.
4. "FTC" or "Commission" means the Federal Trade Commission.
5. "FTC Order" shall mean the FTC Order in FTC Docket No. C-3876, *In the Matter of The Stanley Works*, 120 F.T.C. 206, a copy of which is attached hereto as Exhibit A and made a part of this Consent Decree.
6. "Person" means a natural person, organization or other legal entity, including a partnership, corporation, proprietorship, association, cooperative, or any other group acting together as an entity.
7. The terms "and" and "or" in this Consent Decree shall be construed conjunctively or disjunctively, as necessary, to make the applicable phrase or sentence inclusive rather than exclusive.
8. The term "including" in this Consent Decree means "including, without limitation."

CIVIL PENALTY

9. **IT IS FURTHER ORDERED that:**
 - a. Pursuant to Section 5(l) of the FTC Act, 15 U.S.C. § 45(l), Defendant, The Stanley Works, and its successors and assigns, shall pay a monetary civil penalty of Two Hundred Five Thousand dollars (\$205,000).
 - b. Defendant, The Stanley Works, and its successors and assigns, must make the payment required by Paragraph 9, within five (5) days after the date of entry of this Consent Decree by electronic fund transfer in accordance with the

instructions provided by: The Office of Consumer Litigation, Civil Division,
U.S. Department of Justice, Washington, D.C. 20530.

- c. In the event of any default in payment, which default continues for ten (10) days beyond the due date of payment, the entire unpaid penalty, together with interest as computed pursuant to 28 U.S.C. § 1961 from the date of default to the date of payment, shall immediately become due and payable.

PROHIBITION AGAINST VIOLATING FTC ORDER

10. **IT IS FURTHER ORDERED** that the Defendant, The Stanley Works, and its subsidiaries, successors and assigns, and their officers, agents, representatives, and employees, and all persons in active concert or participation with any one or more of them who receive actual notice of this Consent Decree by personal service or otherwise, are hereby permanently enjoined from violating, directly or through any corporation, subsidiary, division, or other device, any provision of the FTC Order; *provided, however*, that in the event that the FTC Order is hereafter modified, Defendant's compliance with such Order as so modified will not be deemed a violation of this injunction.

DISTRIBUTION OF CONSENT DECREE BY DEFENDANT

11. **IT IS FURTHER ORDERED** that for a period of ten (10) years from the date of entry of this Consent Decree, Defendant, The Stanley Works, its subsidiaries, successors and assigns, must:
 - a. Provide a copy of the Consent Decree and FTC Order to, and obtain a signed and dated acknowledgment of receipt from: each officer and director, and each of its employees, agents, and representatives having responsibility with respect to

marking, labeling, packaging, advertising, or promoting any product covered by this Consent Decree. Defendant must deliver a copy of the Consent Decree and FTC Order to current officers and directors, and their current employees, agents, and representatives having responsibility with respect to marking, labeling, packaging, advertising, or promoting any product covered by this Consent Decree, within thirty (30) days after the date of entry of the Consent Decree, and to future officers and directors, and to future employees, agents, and representatives having responsibility with respect to marking, labeling, packaging, advertising, or promoting any product covered by this Consent Decree within thirty (30) days after the person assumes such position or responsibilities; and

- b. Maintain, for a period of three (3) years after creation, and upon request, make available to representatives of the Commission, the original signed and dated acknowledgments required in Subparagraph a of this Paragraph.

RECORD-KEEPING PROVISIONS

12. **IT IS FURTHER ORDERED** that for a period of ten (10) years from the date of entry of this Consent Decree, Defendant, The Stanley Works, and its subsidiaries, successors and assigns, must maintain and, upon request, make available to the Commission, copies of all business records demonstrating compliance with the terms and provisions of this Consent Decree, including but not limited to:

- a. Accounting records that reflect the cost of products sold, revenues generated, and the disbursement of such revenues;

- b. Personnel records accurately reflecting the name, address, and telephone number of each person employed or retained in any capacity by such business, including as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;
- c. A sample of each product and advertising, packaging, labeling and promotional materials containing any representation covered by this Consent Decree, including a videotape of any television advertisement and an audiotape of any radio advertisement;
- d. All materials that were relied upon in disseminating such representation; and
- e. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict, qualify, or call into question such representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations.

COMPLIANCE REPORTING BY DEFENDANT

13. **IT IS FURTHER ORDERED** that
- a. Within twenty (20) days after receipt of a written request by a representative of the Commission, Defendant, The Stanley Works, and its successors and assigns, must submit written reports (under oath, if requested) and produce documents with respect to any conduct subject to this Consent Decree; and
 - b. Defendant, The Stanley Works, must, in accordance with 31 U.S.C. § 7701,

furnish to the Commission its taxpayer identifying number (employer identification number), which will be used for purposes of collecting and reporting on any delinquent amount arising out of Defendant's relationship with the government.

WRITTEN NOTIFICATIONS BY DEFENDANT

14. **IT IS FURTHER ORDERED** that for the purposes of this Consent Decree, Defendant, The Stanley Works, must, unless otherwise directed by the Commission or its representatives, mail all written notifications to the Commission or the Commission's Associate Director for Enforcement to:

Associate Director for Enforcement
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington D.C. 20580
Re: The Stanley Works

CONTINUING JURISDICTION

15. **IT IS FURTHER ORDERED** that this Court will retain jurisdiction of this matter for the purpose of enabling any of the parties to this Consent Decree to apply to the Court at any time for such further orders or directives as may be necessary or appropriate for the interpretation or modification of this Consent Decree, for the enforcement of compliance therewith, for the redress of any violations thereof, or for the punishment of any violations thereof.

ACKNOWLEDGMENT OF RECEIPT OF CONSENT DECREE

16. **IT IS FURTHER ORDERED** that Defendant, The Stanley Works, within five (5) business days of receipt of this Consent Decree as entered by the Court, shall submit to the FTC

a truthful sworn statement acknowledging receipt of this Consent Decree.

17. **JUDGMENT IS THEREFORE ENTERED** in favor of plaintiff and against Defendant, pursuant to all the terms and conditions recited above.

Dated this 13th day of June, 2006

United States District Judge

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DISTRICT OF CONNECTICUT

The parties, by their respective counsel, hereby consent to the terms and conditions of the Consent Decree as set forth above and consent to the entry thereof. Defendant waives any rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, amended by Pub. L. 104-121, 110 Stat. 847, 863-63 (1996).

FOR THE UNITED STATES OF AMERICA:

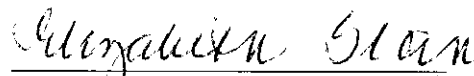
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District of Connecticut

By:

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(203) 821-3700

EUGENE M. THIROLF
Director
Office of Consumer Litigation

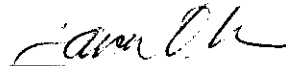


Attorney ELIZABETH STEIN
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FOR THE FEDERAL TRADE COMMISSION:

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FOR THE DEFENDANT:

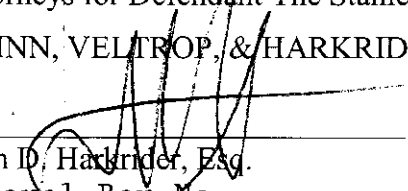
THE STANLEY WORKS

By:


John F. Lundgren
Chairman & Chief Executive Officer

Attorneys for Defendant The Stanley Works
AXINN, VELTROP, & HARKRIDER, LLP

By: _____


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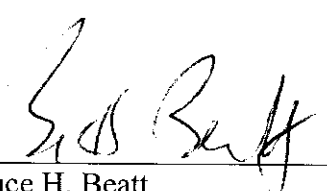
**NOTICE OF RESOLUTION OF
THE BOARD OF DIRECTORS OF
THE STANLEY WORKS**

I, Bruce H. Beatt, Corporate Secretary of The Stanley Works, a Connecticut corporation ("Stanley") hereby certify that on February 22, 2006 a resolution was duly adopted by unanimous consent of the Board of Directors of Stanley.

The resolution provides that Stanley is authorized to execute and deliver a Consent Decree to be filed in the United States District Court for the District of Connecticut. This Decree provides in substance that Stanley shall pay a civil penalty in the amount of \$205,000 and be enjoined from violating the FTC's 1999 Order to cease and desist.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on this first day of March, 2006.

By: _____


Bruce H. Beatt
Corporate Secretary