



**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Office of Consumer Protection**

DCCA News Release

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**HAWAII AND 14 OTHER STATES REACH AN AGREEMENT WITH A DIRECT
MARKETING COMPANY**

States to Receive Nearly Half a Million Dollars

HONOLULU – The state Office of Consumer Protection (OCP) announced today that Hawai'i and 14 other states have reached an agreement with a direct marketer of womens' hosiery (Silkies brand) and other merchandise in a case relating to deceptive marketing practices.

The agreement requires the company to pay the states a total of \$455,000, and change its deceptive marketing practices. Hawai'i will receive \$29,000 as part of the settlement agreement, which will be used to fund consumer education and enforcement of consumer protection laws in the state.

HCI Direct, Inc. (HCI), a Pennsylvania company, sent direct mail solicitations -- to consumers across the nation -- offering free samples of merchandise. Consumers who responded to this solicitation automatically became enrolled in the company's continuous sales plan. Under this plan, if a consumer failed to contact the company to cancel, payment by the consumer for one shipment would automatically trigger another shipment. The multi-state lawsuit alleged that HCI's conduct in running its continuous sales plan violated consumer laws by failing to clearly and conspicuously disclose all of the material terms and conditions.

Under the terms of the settlement, the company agreed to:

- Include in the initial solicitation, as well as subsequent mailings, a clear and conspicuous disclosure of all material terms, conditions and obligations of the offer.

- Obtain an affirmative response from consumers before enrolling them in the plan and before providing any merchandise including free samples.
- Include in its mailings a toll free number, a mailing address, as well as a website that consumers may contact in order to cancel their enrollment.

Hawai`i consumers with questions regarding this multi-state settlement should contact the state's Consumer Resource Center at 587-3222 (1-800-394-1902 toll-free).

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