

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION**

**COMMISSIONERS: Jon Leibowitz, Chairman
 J. Thomas Rosch
 Edith Ramirez
 Julie Brill
 Maureen K. Ohlhausen**

)	
In the Matter of)	
)	
GORELL ENTERPRISES, INC.,)	Docket No. C-4360
a corporation.)	
)	
)	

COMPLAINT

The Federal Trade Commission, having reason to believe that Gorell Enterprises, Inc. (“respondent”) has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Gorell is a Pennsylvania corporation with its principal office or place of business at 1380 Wayne Avenue, Indiana, Pennsylvania 15701. Respondent has done business as “Gorell Window & Doors, LLC” and “American Conservatory Systems.”
2. Respondent manufactures, advertises, offers for sale, sells, and/or distributes windows, including “Gorell” replacement window lines. Respondent distributes these windows to independent dealers and installers who in turn sell them to consumers for residential use.
3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act.
4. Respondent has disseminated or has caused the dissemination of advertising and promotional materials, including content for presentation books and other promotional materials provided to window dealers and installers, including but not necessarily limited to the attached Exhibit A. Respondent’s dealers and installers disseminated or caused the dissemination of these advertisements and promotional materials to consumers. The advertisements and promotional materials contain the following statements or depictions:

A. **Gorell Energy Savings Pledge:**

40%

ENERGY SAVINGS PLEDGE!!!

....

40% Energy Savings Pledge

Gorell Windows & Doors pledges that you will save at least 40% on home fuel consumption for both heating and cooling at your residence . . . during the 12-month period beginning with the date of this pledge (after installation and final payment).

If your energy savings during the first year after the installation of your new windows are less than 40% of your previous 12-month energy consumption – with all things being equal except for your new Gorell windows – you will be reimbursed the difference between the actual savings and 40% of your energy costs for the previous 12 months, up to \$500.

If the sum of heating and cooling degree days after installation is within 5% of the same data from the 12 months prior to installation, Gorell will honor the full request, up to \$500. However, if the sum of heating and cooling degree days after the installation of Gorell products is between 5% and 20% more, Gorell will honor 75% of the pledge claim, up to \$375. If the heating and cooling degree days are more than 20% greater after the installation, Gorell will honor 50% of the pledge claim, up to \$250.

....

Exhibit A.

5. Many factors determine the savings homeowners can realize by replacing their windows, including the home's geographic location, size, insulation package, and existing windows. Consumers who replace single or double-paned wood or vinyl-framed windows – common residential window types in the United States – with Gorell replacement windows are not likely to achieve a 40% reduction in residential energy consumption or heating and cooling costs.

6. Through the means described in Paragraph 4, respondent has represented, expressly or by implication, that:

A. Consumers who replace windows with respondent's Thermal Master III® glass system windows are likely to achieve residential energy savings of 40%; or

- B. Consumers who replace windows with respondent's Thermal Master III® glass system windows are likely to save 40% on residential heating and cooling costs.

7. Through the means described in Paragraph 4, respondent has represented, expressly or by implication, that it possessed and relied upon a reasonable basis that substantiated the representation(s) set forth in Paragraph 6 at the time that the representation(s) were made.

8. In truth and in fact, respondent did not possess and rely upon a reasonable basis that substantiated the representation(s) set forth in Paragraph 6 at the time that the representation(s) were made. Therefore, the representation set forth in Paragraph 7 was false or misleading.

9. Respondent provided to its independent dealers and installers promotional materials referred to in Paragraph 4. By doing so, respondent provided them with the means and instrumentalities for the commission of deceptive acts or practices. Therefore, respondent's provision of such materials to its dealers and installers, as described in Paragraph 4 above, constitutes a deceptive act or practice.

10. Respondent's practices, as alleged in this complaint, constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission, this sixteenth day of May, 2012, has issued this complaint against respondent.

By the Commission, Commissioner Rosch and Commissioner Ohlhausen not participating.

Donald S. Clark
Secretary

SEAL