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AG SLATERY FILES LAWSUIT AGAINST THE RUSTIC FLAG COMPANY

Customers paid for handmade wooden flags they never received

Nashville- Tennessee Attorney General Herbert H. Slatery III has filed a civil enforcement complaint under the Tennessee Consumer Protection Act (TCPA) against The Rustic Flag Company (RFC) and its owner, Justin Scott, for engaging in deceptive and unfair trade practices.

The State's complaint alleges that defendants received payments from thousands of customers for products that were never provided, failed to respond to customers' inquiries related to the manufacturing and shipping of purchased products, and misrepresented the amount of time it would take for customers to receive their orders.

"They had a good product that was in high demand," said General Slatery. "But The Rustic Flag Company did not deliver on what it promised customers and violated state law."

Defendant Justin Scott started Rustic Flag Company in 2015 selling homemade wooden flags out of his basement in Trenton, Tennessee. As the products became more popular, Mr. Scott and his wife purchased a warehouse in 2017 and took orders online.

The wooden flags varied in price from \$100-\$400 depending on size and style. Custom flags could cost up to \$4,000.

By 2018 defendants were unable to keep up with the number of orders and were behind schedule. However, many customers say they were not informed that their orders would be delayed. The Tennessee Division of Consumer Affairs received more than 1,100 complaints and the Better Business Bureau received over 2,100.

In the complaint, the State details scant and haphazard record keeping at RFC and misuse of company funds for personal benefit by defendants. Some of those expenditures include:

- Defendants used a significant portion of a capital loan for RFC from Shopify to pay off the balance (\$215,000) on a home loan.
- Approximately \$26,000 for a Ford Mustang.
- Approximately \$25,000 landscaping on personal property.
- Approximately \$20,000 down payment on a Chevrolet Corvette.
- Approximately \$1,100 monthly payment on a Cadillac Escalade.



Herbert H. Slatery III Attorney General & Reporter

- Approximately \$3,400 each for two four-wheelers.

The State is requesting a permanent injunction to prevent future violations of the TCPA by defendants, an injunction against further disposition by defendants of assets that lawfully belong to the State, freezing assets, appointing a receiver to take charge of the assets, and granting any other relief the circumstances may require pursuant to TCPA including refund of monies paid and disgorgement of ill-gotten gains.

To read the complaint, click here:

<https://www.tn.gov/content/dam/tn/attorneygeneral/documents/pr/2020/pr20-18-complaint.pdf>

