

Sears in \$546 Million Settlement Over Stove Tip-Overs

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Sears, Roebuck and Co. has agreed to a recall/retrofit of stoves that will cost as much as \$546 million and cover some 3.9 million households, Public Citizen said Feb. 20. The watchdog group's leader, Joan Claybrook, sent a letter the same day to CPSC Acting Chairman Nancy Nord asking her to extend the recall to millions of stoves installed by other retailers and issue a safety standard to prevent stoves from tipping over if as much as 250 pounds is placed on their opened doors for five minutes.

The settlement doesn't include people with potential claims against Sears for personal injury, wrongful death, or property damage caused by stoves that tipped over. Public Citizen said at least 33 people have been killed and 84 have been injured in accidents involving unsecured stoves sold by all retailers since 1980. The CPSC has known since then about this problem but failed to alert the public about it, the organization claimed. "The CPSC is hamstrung when it comes to alerting the public to dangers," Claybrook said. "Currently, CPSC must give companies 30 days notice, allowing them time to file suit to stop the CPSC from alerting the public about hazardous products. Essentially, it has to get the manufacturers' permission, which is absurd." Public Citizen is not involved in the lawsuit that brought about the settlement, but it has worked with U.S. PIRG and the Consumer Federation of America to seek federal action about stove tip-overs.

A state judge in Illinois approved the class-action settlement, which calls for Sears to notify all customers who bought a freestanding or slide-in gas or electric range and had the company install it between July 2, 2000, and Sept. 18, 2007, that they're entitled to have a Sears technician install a range stability device or receive a \$50 gift card toward the purchase of a new Sears range. People who installed brackets on their own are entitled to \$100 of reimbursement. Sears also must install anti-tip brackets on all ranges it delivers for the next three years, according to the settlement. A St. Louis University economist who estimated the value of the settlement concluded few customers installed their own tip-over prevention brackets, however, so not many are eligible for reimbursement, he said. This economist, Leroy J. Grossman, also said Sears sells about 800,000 ranges per year, and he used this sales figures to estimate 3,907,462 people are eligible for one of the three options.

Sears is owned by Sears Holding Corp., a company with more than \$50 billion in annual revenues and 3,800 stores in the United States and Canada. The parent company will release its 2007 financial results Feb. 28 and will hold its 2008 annual meeting May 5 in Hoffman Estates, Ill.