



DISCLOSURE:

GOOD BUSINESS, AND GOOD FOR BUSINESS

Why Is Disclosure Needed?

Let's take the home improvement industry as an example. In Philadelphia, individuals can enter the industry with nothing more than a business card - no prior experience, no financial resources, and no guarantee that they will be around for any length of time. Consumers won't know how long a contractor has been in business unless they ask, and even then, nothing is in writing.

At present, consumers have three business days to rescind a signed sales agreement, a regulation instituted by the Federal Trade Commission to give them time to verify businesses' claims. Disclosure firms, however, believe that this regulation doesn't go far enough. Three days is too little time for some consumers, particularly those who are elderly or physically disabled, to verify claims without the information provided by disclosure.

Without disclosure, consumers are vulnerable to the practices of incompetent companies, unethical salespeople, misrepresented products, and slipshod service. With disclosure, consumers have detailed, written information about their specific job and about the company doing that job. The owner's signature serves as a guarantee that the statements are correct; if they are not, the owner is liable for fraud.

Open Disclosure Organization member companies want disclosure to become a requirement of all companies making in-home sales. Until that happens, they voluntarily provide details on their experience, finances, employees, and sources of business to prospective customers in writing, verified by their owners' signatures and photo ID. By doing so, they protect consumers and themselves from incompetent companies, and raise the performance standard among businesses doing in-home sales.