

Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of CompUSA Inc., File No. 022 3278

CompUSA unilaterally extended the time period in which it would deliver the rebates to consumers without consumers agreeing to this extension of time. According to the complaint, this constituted an unfair business practice.

The proposed order contains provisions designed to prevent CompUSA from engaging in similar acts and practices in the future. Part I applies to CompUSA Rebates, which are rebates that are designed and intended to be funded by CompUSA. Specifically, Part I.A. prohibits the company from representing the time in which it will mail any CompUSA Rebate, unless it possesses competent and reliable evidence substantiating the claim. Part I.B. prohibits CompUSA from failing to provide any CompUSA rebate within the time specified, or if no time is specified, within thirty days. Part I.C. requires that the company not “misrepresent, in any manner, expressly or by implication, any material terms of any CompUSA Rebate program.”

Part II of the proposed order relates to CompUSA’s advertising of Manufacturer Rebates, which are rebates that are designed and intended to be funded by a manufacturer or third party other than CompUSA. This provision prohibits the company from making any representation about the availability of any Manufacturer Rebate unless (1) it has an established record with the manufacturer demonstrating that the manufacturer has consistently paid rebates in a timely manner; or (2) if it does not have such an established record with the manufacturer, CompUSA has conducted a reasonable financial analysis of the manufacturer and that financial analysis demonstrates the manufacturer’s ability to timely pay the rebates being offered.

Part III of the proposed order is a redress provision which requires CompUSA to pay all valid rebates requests to consumers who purchased QPS products at CompUSA and whose rebates are due or past due. This provision also requires CompUSA to send a rebate to any eligible QPS purchaser who contacts it or the FTC for a period of seventy-five (75) days after service of the order.

Parts IV through VIII of the proposed order are reporting and compliance provisions. Part IX is a provision “sunsetting” the order after twenty years, with certain exceptions.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.