

**UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION**

**COMMISSIONERS:**      **Deborah Platt Majoras, Chairman**  
                                 **Pamela Jones Harbour**  
                                 **Jon Leibowitz**  
                                 **William E. Kovacic**  
                                 **J. Thomas Rosch**

<p><b>In the Matter of</b></p> <p><b>SOYO, INC.,</b> <b>a corporation.</b></p>
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**DOCKET NO. C-4193**

**COMPLAINT**

The Federal Trade Commission, having reason to believe that Soyo, Inc., a corporation (“Soyo” or “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 is a Nevada corporation with its principal office or place of business at 1420 South Vintage Avenue, Ontario, California 91761.
2. Respondent has advertised, labeled, offered for sale, sold, and distributed products to the public, including computer-related hardware and other consumer electronics products. Respondent has distributed these products to the public through retailers of consumer electronics products. To make its products more attractive to these retailers and their customers, Soyo has offered numerous mail-in rebates ranging from \$15.00 to \$500.00 in value.
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.

A. **“SOYO  
20 GB 1.8" POCKET HARD DRIVE**

...

<b>\$134.</b>	<b>- 35</b>	<b>\$ .</b>
In-Store Price	Mail-In Rebate	Price After Rebate

....”

(Exhibit A, excerpt from a retailer’s advertisement for a pocket hard drive).

B. **“SOYO  
Innovation by design**

Buy one SY-K7VME  
**Get \$30.00 USD Mail-in Rebate**  
Offer valid 01/03/2005 to 01/30/2005

**THIS REQUEST MUST BE POSTMARKED BY 02/15/2005**

TERMS AND CONDITIONS -

...

Rebate checks will be mailed in 10 - 12 weeks after postmark date of program.

....”

(Exhibit B, excerpt from a Soyo rebate form for a rebate offered on a motherboard).

**FALSE SHIPMENT REPRESENTATIONS**

5. Through the means described in Paragraph 4, including but not necessarily limited to Exhibit A, respondent has represented, expressly or by implication, that rebate checks will be mailed to purchasers of advertised Soyo products within a reasonable period of time after receipt of their valid requests.

6. Through the means described in Paragraph 4, including but not necessarily limited to Exhibit B, respondent has represented, expressly or by implication, that:

- A. Rebate checks will be mailed to purchasers of advertised Soyo products within ten to twelve weeks after receipt of their valid requests; and
- B. Rebate checks will be mailed to purchasers of advertised Soyo products within ten to twelve weeks of the last date on which a valid request could be postmarked.

7. In truth and in fact, in numerous instances, rebate checks were not mailed to purchasers of advertised Soyo products within a reasonable period of time after receipt of their valid requests, within twelve weeks after receipt of their valid requests, or within twelve weeks of the last date on which a valid request could be postmarked. Thousands of consumers who submitted valid requests for rebates since 2004 have experienced substantial delays, including delays of one year or longer. From October 2004 to March 2006, over 95 percent of respondent's rebate checks were delivered later than twelve weeks after the last date on which a valid request could be postmarked, with an average delivery time of approximately 24 weeks. Therefore, the representations set forth in Paragraphs 5 and 6 were, and are, false or misleading.

8. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts lcp5ad be