Respondent has disseminated or has caused to be disseminated advertisements and rebate

5.

\$29.99 - \$29.99 = \$0Reg. Price Mail-in Rebate Final Cost

PRIME PERIPHERALS 50x CD-ROM Drive Kit

Your rebate rights cannot be assigned or transferred, and this offer is void where taxed, restricted, or prohibited by law.... Rebate checks will be mailed in approx. 8-10 weeks. If you have not received your check within 12 weeks visit **www.forrebates.com** or call **1-877-783-3546**."

(Exhibit C, rebate form for Prime Peripherals 200-pack CD-R).

D. "Save \$45 at OfficeMax on *Prime Peripherals*<sup>TM</sup> 50X CD-Drive...

FREE up to \$29 <sup>99</sup> at OfficeMax on *Prime Peripherals*<sup>TM</sup> 5900 56K modem...
After mail-in Rebate

\*Valid only in Continental U.S. Stores 3/11/01-3/17/01; Alaska and Hawaii 3/18/01-3/24/01; Puerto Rico and St. Thomas 3/25/01-3/31/01.

Complete this coupon and send with a copy of **sales receipt** & upc label from package by mail to:

RCG Prime Peripherals Offer #50 or 51 PO Box 226 Randolph, MA 02368

*Mail my check to*:

Name				
Address				
City	State	Zip code	Fax	
Telephone ()		Email a	nddress	
I have complied	l with the r	requirements of	this offer	
Required Signati	ıre		Date	

with any other offer. Requests from PO Boxes not accepted, and requests with invalid or undeliverable mailing address will be rejected. Offer limited to end-users only. Requests for multiple rebates from groups, clubs, or organizations will not be honored. Your rebate rights cannot be assigned or transferred, and this offer is void where taxed, restricted, or prohibited by law.... Rebate checks will be mailed in approx. 8-10 weeks. If you have not received your check within 12 weeks visit **www.forrebates.com** or call **877-783-3546**."

(Exhibit D, rebate form for Prime Peripherals 50X CD-Drive and 5900 56K modem).

## E. "Save \$20 on Prime Peripherals 50X CD-Rom at CompUSA (SKU #273808)

Moil my chools to

Complete this coupon and send with **copy of sales receipt** & upc label from package by mail to: Prime Peripherals Offer #32

PO Box 821 New Rochelle, NY 10802-0821

Name				
		Zipcode		
Telephone (	_)	Email	address	

TERMS AND CONDITIONS—Offer good on purchases at CompUSA from 12-16-00 through 2-23-00. You must submit this original rebate form with a copy of your sales receipt and the original upc label from package. Photocopies of upc will not be accepted. Your request must be postmarked by 1-10-01-01.... Limit ONE rebate per person, receipt, household, family or address. This offer cannot be combined with any other offer. Requests from PO Boxes not accepted, and requests with invalid or undeliverable mailing address will be rejected. Offer limited to end-users only. Requests for multiple rebates from groups, clubs, or organizations will not be honored. Your rebate rights cannot be assigned or transferred, and this offer is void where taxed, restricted, or prohibited by law.... Rebate checks will be mailed in approx. 6-8 weeks. If you have not received your check within 8 weeks visit <a href="www.tcarebates.com">www.tcarebates.com</a> or call 800-390-2344."

(Exhibit E, rebate form for Prime Peripherals 50X CD-Rom).

- 6. Through the means described in Paragraph 5, respondent has represented, expressly or by implication, that:
  - A. Respondent will mail cash rebates to purchasers of Prime Peripherals computer peripheral products within either six to eight or eight to ten weeks of respondent's receipt of their requests.
  - B. Respondent will mail cash rebates to purchasers of Prime Peripherals computer peripheral products within a reasonable period of time.

## 7. In truth and in fact:

- A. In numerous instances, respondent did not mail cash rebates to purchasers of Prime Peripherals computer peripheral products within either six to eight or eight to ten weeks of respondent's receipt of their requests. In many instances, consumers never received their cash rebates from respondent or experienced delays ranging from one to six months.
- B. In numerous instances, respondent did not mail cash rebates to purchasers of Prime Peripherals computer peripheral products within a reasonable period of time. In many instances, respondent never sent consumers their cash rebates or sent them months after receiving consumers' rebate requests.

Therefore, the representations set forth in Paragraph 6 were, and are, false or misleading.

## UNILATERAL MODIFICATION OF TERMS OR CONDITIONS OF REBATE OFFER: UNFAIR BUSINESS PRACTICE

8. In the advertising and sale of Prime Peripherals computer peripheral products, respondent has offered, expressly or by implication, that consumers would receive cash rebates if they purchased a Prime Peripherals computer peripheral product and submitted a rebate form with proof of purchase. In making this offer, respondent did not require that consumers submit a telephone number, fax number, or

accepted respondent's rebate t con by purchasing those products and submitting rebate forms with proof of purchase.

9. After receiving rebate requests in conformt Te with ime t con described in Paragraph 8, respondent unilaterally modified ime terms or conditions of the rebate t con by requiring that, in easition to submitting a rebate form with proof of purchase, consumers had to submit a telephone number, a fax

number, and an email address to receive a rebate. In breach of the original rebate offer, respondent rejected numerous rebate requests from consumers because they did not submit a telephone number, a fax number, and/or an email address.

10. Respondent's practice described above thus has caused substantial and ongoing injury to purchasers of respondent's products that is not outweighed by countervailing benefits to consumers or competition and is not reasonably avoidable by consumers. This practice was, and is, an unfair act or practice.

## FAILURE TO DISCLOSE TERMS OR CONDITIONS OF REBATE OFFER

- 11. In the advertising and sale of Prime Peripherals computer peripheral products, respondent has represented, expressly or by implication, that purchasers of Prime Peripherals computer peripheral products would receive cash rebates if they purchased those products and submitted a rebate form with proper documentation. Respondent has failed to disclose that consumers are required to possess and disclose their telephone number, fax number, and email address on a rebate form to receive those cash rebates. These facts would be material to consumers in their purchase or use of the products. The failure to disclose these facts, in light of the representation made, was, and is, a deceptive practice.
- 12. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices, in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this	day of	,	, has issued this
complaint against respondent.			

By the Commission.

Donald S. Clark Secretary

SEAL: