I.

IT IS ORDERED that respondent Gateway 2000, Inc., a corporation, its successors and assigns, and its officers, representatives, agents and employees, directly or through any corporation, subsidiary, division or other device, in connection with the sale or offering for sale of any consumer product for which the respondent offers a written warranty, do forthwith cease and desist from:

A. Excluding liability for any incidental or consequential damages arising from any consumer injury without clearly and conspicuously disclosing, as provided by section 701.3(a)(8) of the Disclosure Rule, 16 C.F.R. § 701.3(a)(8), that some states do not allow for such exclusion;

B. Failing to disclose, as provided by section 701.3(a)(9) of the Disclosure Rule, 16 C.F.R. § 701.3(a)(9), that certain states may give the consumer legal rights in addition to those provided by the warranty;

C. Disclaiming any implied warranty, except as provided by Section 108 of the Warranty Act, 15 U.S.C. § 2308;

D. Failing to make the text of any written warranty on a consumer product readily available for examination by prospective buyers prior to sale through utilization of one or more means specified in section 16 C.F.R. § 702.3(c) of the Pre-Sale Availability Rule, 16 C.F.R. § 702.3(c).

II.

IT IS FURTHER ORDERED that respondent, its successors and assigns, and its officers, representatives, agents and employees, directly or through any corporation, subsidiary, division or other device, in connection with the sale or offering for sale of any consumer product, do hereby cease and desist from failing to provide a full refund of the purchase price of a product, including any shipping costs, insurance, handling or any other fee or charge paid by the consumer, within seven (7) business days of the respondent's acceptance, after a reasonable opportunity for inspection, of the merchandise returned by the consumer for a refund pursuant to any money-back guarantee offer made by respondent; provided, however, that respondent may deduct a service charge or other fees such as shipping and handling costs only if respondent has disclosed that such deductions will be made, clearly and conspicuously and in close proximity to the money-back guarantee offer made by respondent.

III.

complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

XI.

IT IS FURTHER ORDERED that respondent shall, within sixty (60) days after service of this order on it, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with this order.

Signed this day of , 1997.

Gateway 2000, Inc., a corporation,

BY:

WILLIAM M. ELLIOTT
Senior Vice President, General
Counsel and Corporate Secretary
Gateway 2000, Inc.

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APPROVED:

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Federal Trade Commission