

Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of Soyo, Inc., File No. 062-3094

The Federal Trade Commission has accepted, subject to final approval, an agreement containing a consent order from Soyo, Inc. (“Soyo”). Soyo, located in Ontario, California, is a distributor of computer-related hardware and other consumer electronics products.

The proposed consent order has been placed on the public record for thirty (30) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement or make final the agreement’s proposed order.

This matter concerns cash rebate offers that Soyo advertised to consumers. The complaint alleges that Soyo engaged in deceptive practices relating to these rebate offers. Specifically, the complaint alleges that Soyo falsely represented that: 1) rebates would be mailed within a reasonable period of time after receipt of a consumer’s valid request, 2) within ten to twelve weeks after receipt of a consumer’s valid request, and 3) within ten to twelve weeks of the last date on which a valid request could be postmarked. The complaint alleges that thousands of consumers who submitted valid requests for rebates since 2004 experienced substantial, unreasonable delays, including delays of one year or longer. It is further alleged that 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.

The proposed order contains provisions designed to prevent Soyo from engaging in similar acts and practices in the future. Part I of the proposed order prohibits Soyo from misrepresenting the time in which any rebate will be mailed and from failing to provide any rebate within the time specified, or if no time is specified, within thirty days. This provision also prohibits the company from misrepresenting any material terms of any rebate program, including the status of or reasons for any delay in providing any rebate. Part II of the proposed order is a redress provision which requires Soyo to pay all valid rebate requests to consumers who purchased Soyo products and whose rebates are past due. This provision also requires Soyo to send a rebate to any eligible purchaser who contacts it or the FTC for a period of seventy-five (75) days after service of the order.

Parts III through VI of the proposed order are reporting and compliance provisions. Part VII provides that the order will terminate after twenty (20) 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.