

ANALYSIS OF PROPOSED CONSENT ORDER TO AID PUBLIC COMMENT

In the Matter of Son Le and Bao Le, Matter No. 162 3178

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an agreement containing a consent order as to Son Le and Bao Le (“respondents”).

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

This matter involves respondents’ advertising for their Infinity and Olympus Pro brand trampolines. The complaint alleges that respondents violated Section 5(a) of the FTC Act by deceptively representing that purportedly independent ratings entities and ordinary consumers recommended their trampolines and by deceptively failing to disclose Bao Le’s financial interest in the sale of respondents’ trampolines in reviews he posted of those and other trampolines.

The order includes injunctive relief that prohibits these alleged violations and fences in similar and related violations. The order applies to any “covered product,” which is defined as any sports, recreational, or exercise equipment, including, but not limited to, Infinity, Olympus Pro, or other trampolines.

Provision I prohibits, in connection with the sale of a covered product, any misrepresentation that a reviewing entity is an independent organization or provides objective information about such product, that any review of such product reflects the opinion of an impartial expert or an ordinary consumer, or that such product is endorsed by an independent or third-party organization. It also prohibits any misrepresentation about the existence, contents, validity, results, conclusions, or interpretations of any test, study, or other research.

Provision II prohibits respondents from making any representation about any consumer, reviewer, or other endorser without disclosing, clearly and conspicuously, and in close proximity to that representation, any unexpected material connection between such consumer, reviewer, or endorser and (1) any respondent, or (2) any other individual or entity affiliated with the product. The order defines “clearly and conspicuously” as the term applies to the required disclosures.

Provisions III and IV require respondents to deliver a copy of the order to principals, officers, managers, and all employees, agents, and representatives who participate in conduct related to the subject matter of the order, and to obtain signed acknowledgments from those individuals; to file compliance reports with the Commission; and to notify the Commission of bankruptcy filings or changes in corporate structure that might affect compliance obligations.

Provision V contains recordkeeping requirements for accounting records, personnel records, consumer correspondence, advertising and marketing materials, and claim substantiation, as well as all records necessary to demonstrate compliance or non-compliance with the order.

Provision VI contains other requirements related to the Commission’s monitoring of respondents’ order compliance.

Provision VII provides the effective dates of the order, including that, with exceptions, the order will terminate in 20 years.

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