



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Bureau of Consumer Protection
Division of Enforcement

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December 2, 2016

VIA FEDEX

Emma E. Collum, Esq.
In House Counsel
JL Audio Inc.
10369 North Commerce Parkway
Miramar, FL 33025-3962

Dear Ms. Collum:

We received your submissions on behalf of JL Audio Inc. ("JL Audio"). During our review, we raised concerns that certain marketing materials may have overstated the extent to which JL Audio's audio equipment products, including car and marine audio systems, are made in the United States.

As discussed, unqualified "Made in USA" or "Built in USA" claims likely suggest to consumers that products are "all or virtually all" made in the United States. The Commission may analyze a number of different factors to determine whether a product is "all or virtually all" made in the United States, including the proportion of the product's total manufacturing costs attributable to U.S. parts and processing, how far removed any foreign content is from the finished product, and the importance of the foreign content or processing to the overall function of the product.

In this case, although JL Audio assembles products in the United States, many of those products incorporate significant imported parts. Accordingly, to avoid deceiving consumers, JL Audio implemented a remedial action plan to qualify its representations. This plan included: (1) removing all unqualified "Built in USA" statements from marketing materials, including packaging and inserts, and replacing such claims with qualified claims like "Built in USA with Global Components"; (2) updating packaging, stickers, and inserts to increase the font size of qualifications to U.S.-origin claims; (3) updating product markings and instruction manuals; (4) updating social media and discontinuing use of hashtags making unqualified U.S.-origin claims, such as #builtinusa and #madeinusa; (5) updating tradeshow materials; (6) providing notice to authorized dealers and distributors that they must review and update marketing materials; and (7) making all diligent efforts to identify and correct improper claims made by third-party marketers.

Based on your actions and other factors, the staff has decided not to pursue this investigation any further. This action should not be construed as a determination that there was no violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45. The Commission reserves the right to take such further action as the public interest may require. If you have any questions, you can reach me at (202) 326-2377.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Ensor", with a stylized flourish at the end.

Julia Solomon Ensor
Staff Attorney