



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

Bureau of Consumer Protection
Division of Enforcement

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December 18, 2017

VIA FEDEX

Wallace Santos, CEO
Maingear, Inc.
206 Market Street
Kenilworth, NJ 07033

Dear Mr. Santos:

We received your submissions on behalf of Maingear, Inc. ("Maingear"). During our review, we raised concerns that certain marketing materials may have overstated the extent to which Maingear computers are made or "built" in the United States. Specifically, although Maingear designs, finishes, tests, and supports its computers in New Jersey, the computers incorporate significant imported content.

As we discussed, unqualified "Made in the USA" or "Built in the USA" claims on marketing materials likely suggest to consumers that all products advertised in those materials are "all or virtually all" made in the United States. Furthermore, the FTC's Enforcement Policy Statement on "Made in USA" and Other U.S. Origin Claims explains that "'Assembled in USA' claims should be limited to those instances where the product has undergone its principal assembly in the United States and that assembly is substantial. In addition, a product should be last substantially transformed in the United States to properly use an 'Assembled in USA' claim."¹

Accordingly, to avoid deceiving consumers, Maingear implemented a corrective action plan to clarify its representations. The plan included: (1) removing all "Built in USA" claims from the website; (2) introducing claims that truthfully convey information about Maingear's U.S. operations, including "Designed in the USA" and "Lifetime USA Support"; (3) suspending Google advertising and making corrective changes; (4) editing social media posts; and (5) conducting employee training.

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

¹ *Federal Trade Commission, Issuance of Enforcement Policy Statement on "Made in USA" and Other U.S. Origin Claims*, 62 Fed. Reg. 63756, 63770 (Dec. 2, 1997).

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 "Julia Solomon Ensor".

Julia Solomon Ensor
Staff Attorney