

IN THE MATTER OF

DELL COMPUTER CORPORATION

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
CONSUMER LEASING ACT, REGULATION M AND
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3888. Complaint, July 28, 1999--Decision, July 28, 1999

This consent order, among other things, prohibits Dell Computer Corporation, a marketer of computer systems, from failing to disclose clearly that any advertised lease terms pertain to a lease offer. The consent order also prohibits respondent from stating the amount of any payment or that any or no initial payment is required at lease signing, without disclosing all of the terms required by law.

Participants

For the Commission: *Sally Pitofsky, Rolando Berrelez, and David Medine.*

For the respondent: *Barry Cutler, Baker & Hostetler*, Washington, D.C.

COMPLAINT

The Federal Trade Commission, having reason to believe that Dell Computer Corporation, a corporation ("respondent"), has violated the provisions of the Federal Trade Commission Act, 15 U.S.C. 45-58, as amended, the Consumer Leasing Act, 15 U.S.C. 1667-1667e, as amended, and its implementing Regulation M, 12 CFR 213, as amended, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Dell Computer Corporation is a Delaware corporation with its principal office or place of business at One Dell Way, Round Rock, Texas. Respondent markets computer systems for sale or lease to consumers.

2. Respondent has disseminated advertisements to the public that promote consumer leases, as the terms "advertisement" and "consumer lease" are defined in Section 213.2 of Regulation M, 12 CFR 213.2, as amended.

3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. 44.

4. Respondent has disseminated or has caused to be disseminated consumer lease advertisements ("lease advertisements") for computer systems, including but not necessarily limited to the attached Dell Exhibits A and B. Dell Exhibit A is an electronic advertisement. Dell Exhibit B is a television advertisement. These lease advertisements contain the following statements:

A. "DELL DIMENSION XPSR ...

Configured Price*

\$2,288

\$86/month

***Business ☆Personal ..."**

[A fine print disclosure at the bottom of the ad states:

"... Personal leasing arranged by Dell Financial Services L.P., an independent entity, to qualified customers. Amount of monthly lease payments above is based upon 36 month lease. Above monthly lease payments exclude taxes which may vary (for example, Hartford City, IN, sales tax: \$4.30/month); shipping cost due with first payment; no security deposit required; subject to credit approval and availability. Lease terms are subject to change without notice."] (Dell Exhibit A)

B. [Audio:] "... For just \$99 a month, you can lease this Dell Dimension XPS with a 233 MHz Intel Pentium Processor."

[Video:] "\$99/MONTH, 24 MOs"

[A fine print disclosure at the bottom of the ad states:

"... Personal leasing arranged by Dell Financial Services L.P., an independent entity; Amount of monthly lease payments based upon 24-month lease. First and last monthly lease payments due prior to delivery: \$197. Above monthly lease payments exclude tax which may vary (for example, Hartford City, IN, sales tax: \$4.93); shipping charges due with second payment; no security deposit required; subject to credit approval and availability. Lease terms subject to change without notice. For details, call 1-800-955-3355. ..."] (Dell Exhibit B)

FEDERAL TRADE COMMISSION ACT VIOLATIONS

Count I: Failure to Disclose Adequately that
Transaction Advertised is a Lease

5. In lease advertisements, including but not necessarily limited to Dell Exhibit A, respondent has represented, expressly or by implication, that consumers can purchase the advertised computer systems for the monthly payment amounts prominently stated in the advertisements. These advertisements do not disclose adequately that

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the advertised monthly payment amounts are components of lease offers.

6. The fact that the offers pertain to leases would be material to consumers in deciding whether to lease or purchase a computer from respondent. The failure to disclose adequately that fact, in light of the representation made, was, and is, a deceptive practice.

7. Respondent's practices constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. 45(a).

Count II: Failure to Disclose Adequately Lease Terms

8. In lease advertisements, including but not necessarily limited to Dell Exhibit A and B, respondent has represented, expressly or by implication, that consumers can obtain the advertised computer systems at the terms prominently stated in the advertisements, including but not necessarily limited to the monthly payment amount.

9. These lease advertisements have failed to disclose adequately additional terms pertaining to the lease offer, such as the total amount of any payments due at lease inception or the term of the lease. This information would be material to consumers in deciding whether to lease a computer system from respondent. The failure to disclose these additional terms, in light of the representation made, was, and is, a deceptive practice.

10. Respondent's practices constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. 45(a).

CONSUMER LEASING ACT AND REGULATION M VIOLATIONS

Count III: Failure to Disclose Required Information
Clearly and Conspicuously

11. Respondent's lease advertisements, including but not necessarily limited to Dell Exhibits A and B, state a monthly payment amount, but fail to disclose clearly and conspicuously certain additional terms required by the Consumer Leasing Act and Regulation M, including one or more of the following terms:

- a. That the transaction advertised is a lease;
- b. The total amount due prior to or at consummation, or by delivery, if delivery occurs after consummation. This total amount may: 1) exclude third-party fees that vary by state or locality, such as taxes, and disclose that fact or 2) provide a total that includes third-party fees based on a particular state or locality as long as that fact and the fact that such fees may vary by state or locality are disclosed;
- c. Whether or not a security deposit is required;
- d. The number, amounts, and timing of scheduled payments; and
- e. That an extra charge may be imposed at the end of the lease term in a lease where the liability of the consumer is based on the difference between the residual value of the leased property and its realized value at the end of the lease term.

12. Respondent's practices have violated Section 184 of the Consumer Leasing Act, 15 U.S.C. 1667c, and Section 213.7 of Regulation M, 12 CFR 213.7.

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EXHIBIT A

The Dell Online Store: Build Your System

http://commerce.us.dell.com/dellstore/config.asp?order_code=50070

 The Online Store POINT-CLICK CONFIGURE BUY IT DOESN'T GET ANY EASIER		Buy Online 1-800-WWW
 DELL DIMENSION XPSR Built with high performance and reliability in mind, the Dell Dimension XPS R series use the latest in technology to deliver the tremendous speed your high-end applications are craving.		Configured Price: \$2,288 \$86 /month ☐ Business ☒ Personal
Dell Dimension XPS R MiniTower Pentium® II processor, 400MHz, w/512K Cache Memory 64MB 100MHz SDRAM		
Hard Drive HELP ME CHOOSE A larger hard drive provides more storage for your operating system, Internet files, applications, graphics and scanned images! Dell offers EIDE hard drives up to 16.8 GB. 8.4GB 5400rpm Ultra ATA Hard Drive		
Monitor HELP ME CHOOSE Upgrading to a larger monitor is surprisingly affordable. Dell's line-up of exceptional monitors can deliver enhanced resolution and refresh rates, crisp, vibrant imaging and amazing color depth. 1000LS 17 inch Monitor (15.9 inch v.i.s.)		
Video Card HELP ME CHOOSE Diamond Permedia 2, 8MB AGP 3D Video Card		
CD-ROM Drive HELP ME CHOOSE 1740X EIDE CD-ROM		
Sound Card HELP ME CHOOSE Create a more realistic listening experience with patented A3D sound positioning technology, available on the Turtle Beach™ A3D 64-Voice Sound Card. Integrated Crystal WaveTable		
Speakers HELP ME CHOOSE Altec Lansing ACS295 Speakers		
Storage Products HELP ME CHOOSE Back up valuable files or simply transport large amounts of data on one Zip 100MB cartridge which holds 70 times more than a standard floppy diskette. ☒ IOMEGA Zip Built-In w/2 disks, Windows 95 and 98 [\$99] ☐ IOMEGA Zip w/2 media for Windows NT [\$99] ☐ 3 pack of Iomega 100MB disks [\$49] ☐ Iomega ZIP External/Parallel - includes ONE zip disk for Windows 95 & 98 [\$149]		
Operating System Free Microsoft® Windows™ 98 Upgrade Packet included with each Dell Dimension system with Windows™ 95 factory installed or you can order you system now with Windows™ 98. Microsoft Windows 98		
McAfee VirusScan 3.1 at no additional charge McAfee VirusScan 3.1 (For Windows 95 & 98)		
Bundled Software HELP ME CHOOSE Home Essentials 98/Entertainment Pack - The Puzzle Collection		

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EXHIBIT A

The Dell Online Store: Build Your System

http://commerce.us.dell.com/dellstore/config.asp?order_code=50070

Modem

56K Capable U.S. Robotics x2 Winmodem w/sound ▼

Network Card

Network connectivity can boost your productivity by sharing files over e-mail, sharing printers within workgroups and providing universal Internet access.

None ▼

Keyboard

Spacesaver Windows 95 Quietkey Keyboard ▼

Service HELP ME CHOOSE

3Yr Limited Warranty; Yr 1 Next Bus. Day On-Site Svc ▼

Mouse

Microsoft PS2 Intellimouse

Floppy Drive

1.44MB Floppy Drive

Printers HELP ME CHOOSEDon't forget your printer! Whether you need to print your kid's artwork or output professional quality art, Dell has the perfect printer to meet your needs. [Click here](#) for warranty information.

- ☐ HP DeskJet 722C Color Printer (Requires a printer cable) [\$299]
- ☐ HP OfficeJet 600 (Includes a printer cable) [\$499]
- ☐ HP LaserJet 6Lse 6ppm 600x600 dpi (Requires a printer cable) [\$429]
- ☐ 10' IEEE Parallel Printer Cable [\$24.99]

Scanners HELP ME CHOOSEScanners let you turn hardcopies of photographs and graphics into digital files that you can send, print or manipulate with your computer. From personal to professional, we have a scanner for you. [Click here](#) for warranty information.

- ☐ HP ScanJet 5100Cse for Windows 98 [\$299]
- ☐ HP ScanJet 6100C [\$799]

Power Protection HELP ME CHOOSEElectrical surges and power outages could damage your system—Protect your investment with a product from APC. [Click here](#) for warranty information.

- ☐ APC Surge Station Pro 8T2 [\$39]
- ☐ APC Back UPS Office [\$99]
- ☐ APC Back-UPS Pro 650 PnP w/software [\$289]

Software and AccessoriesSave a trip to the store. Choose among these popular products that can make your new system even more versatile. [Click here](#) for warranty information.

- ☐ Microsoft SideWinder Precision Pro [\$69]
- ☐ Microsoft Sidewinder Precision Pro with Flight Simulator [\$99]
- ☐ Intuit Quicken Deluxe 98 (A \$15 Readyware installation fee will be added per system) [\$62]
- ☐ Jump Start Kindergarten & Ready to read w/ Pooh [\$69]
- ☐ Game Pack I - Myst, Command & Conquer Gold, & Warcraft II [\$49]
- ☐ Education Pack I- Reader Rabbit, Math Blaster & Logic Quest [\$49]

UPDATE PRICE

ADD TO CART

Configured Price:*

\$2,288

\$86 /month

EXHIBIT A

The Dell Online Store: Build Your System

http://commerce.us.dell.com/dellstore/config.asp?order_code=50071

This configuration is presented for your convenience only and is subject to change without notice. It is available for purchase by US customers who take delivery in the US. Dell will not be responsible for typographical or other errors or omissions regarding prices or other information. All sales are subject to Dell's Term and Conditions of Sale.

* Price and lease payments are subject to change without notice and DO NOT INCLUDE SHIPPING CHARGES OR APPLICABLE TAXES. Promotional offers and prices are for a limited time.

Personal leasing arranged by Dell Financial Services L.P., an independent entity, to qualified customers. Amount of monthly lease payments above is based upon 36 month lease. Above monthly lease payments exclude taxes which may vary (for example, Hartford City, IN, sales tax: \$4.30/month); shipping cost due with first payment; no security deposit required; subject to credit approval and availability. Lease terms are subject to change without notice.

For US customers only.
Copyright 1998 Dell Computer Corporation. All rights reserved. ([Terms of Use](#) | [Terms and Conditions of Sale](#))
Thursday, July 02, 1998 10:20:02 AM CDT
[Online privacy practices](#)

Complaint

128 F.T.C.

EXHIBIT B

**QDEL 8526
SCRIPT**

DHS 01431

Dell Exhibit B

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EXHIBIT B

TV Copy

Client: Dell Computers
 Date: December 1, 1997 5:48 PM
 Job No.: DEB2142.Rollerblade/399 Lease
 Length: :60 CDEL-8926
 FN: The Test
 Rev No. 13
 Final Approved ☐
 Page: 1

Prepared by: T.R.
 Copywriter:
 Creative Director:
 Account Executive:
 Client:
 Legal:
 As Produced ☐

Goldberg Moser O'Neill

Goldberg Moser O'Neill
 77 Maiden Lane
 San Francisco CA 94108

VIDEO:

AUDIO:

OPEN ON A HUGE CEMENT
 MONOLITH IN THE MIDDLE OF
 THE DESERT.

CUT TO C/U OF STRAPS BEING
 BUCKLED.

CUT TO WIDE SHOT OF GUY
 STRAPPED INTO A G-FORCE
 LIKE MACHINE. LAB GUYS ARE
 STANDING AROUND IN LAB
 COATS.

CUT TO TIGHT SHOT OF
 BUTTON BEING PUSHED.

AVO: When Rollerblade
 demands hypersonic speed...

THE MAN STARTS TO GO
 AROUND CONCAVE TURN.

C/U OF BUTTON BEING
 PUSHED.

AVO: When they require fanatical
 performance...

CUT BACK TO ROLLERBLADE
 GOING EVEN FASTER AND
 SUDDENLY STARTS SCALING
 THE WALL.

CUT TO LAB GUYS LOOKING
 OUT THROUGH GLASS IN
 CONTROL TOWER.

C/U OF EYES OF GUY ABOUT
 TO PUSH BUTTON.

CUT TO C/U OF FINGER
 PUSHING BUTTON.

AVO: When they crave
 unfathomable feats...

CUT TO GUY AT DELL
 COMPUTER.

AVO: They get it ...

DHS 01432

Complaint

128 F.T.C.

EXHIBIT B

TV Copy**Goldberg Moser O'Neill**

Client: Dell Computers
 Date: December 1, 1987 5:48 PM
 Job No.: DEB2142.Rblade/\$99 Lease
 Length: :60
 FN: The Test
 Rev No. 13
 Final Approved ☐
 Page: 2

Proofreader:
 Copywriter:
 Creative Director:
 Account Executive:
 Client:
 Legal:
 As Produced ☐

Goldberg Moser O'Neill
 77 Maiden Lane
 San Francisco CA 94108

AVO: On a Dell Computer.

SCREEN HAS MONTAGE OF
 ROLLERBLADE SALES DATA
 POPPING UP.

AVO: In fact, Rollerblade uses
 Dell Computers every day.

CUT TO CLOSE-UP OF DELL
 DIMENSION SYSTEM.
 SUPER: STATIC INTEL MMX
 LOGO.

AVO: What can we build yours to
 do? Call and for just \$99 a
 month you can lease this Dell
 Dimension XPS with a...

LEGAL SUPER: PERSONAL
 LEASING ARRANGED BY DELL
 FINANCIAL SERVICES L.P., AN
 INDEPENDENT ENTITY;
 AMOUNT OF MONTHLY LEASE
 PAYMENTS BASED UPON 24-
 MONTH LEASE. FIRST AND
 LAST MONTHLY LEASE
 PAYMENTS DUE PRIOR TO
 DELIVERY: \$197. ABOVE
 MONTHLY LEASE PAYMENTS
 EXCLUDE TAX WHICH MAY
 VARY (FOR EXAMPLE,
 HARTFORD CITY, IN SALES
 TAX: \$4.93); SHIPPING
 CHARGES DUE WITH SECOND
 PAYMENT; NO SECURITY
 DEPOSIT REQUIRED; SUBJECT
 TO CREDIT APPROVAL AND
 AVAILABILITY. LEASE TERMS
 SUBJECT TO CHANGE
 WITHOUT NOTICE. FOR
 DETAILS, CALL 1-800-955-
 3355. PRICES AND
 SPECIFICATIONS VALID IN
 THE U.S. ONLY AND SUBJECT
 TO CHANGE WITHOUT NOTICE.

SUPER: 233MHz PENTIUM® II
 PROCESSOR.

DHS 01433

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Complaint

EXHIBIT B

TV Copy

Client: Dell Computers
 Date: December 1, 1997 5:48 PM
 Job No.: DEB2142 Release \$99 Lease
 Length: :60
 FN: The Test
 Rev No. 13
 Final Approved ☐ . . .
 Page: 3

Goldberg Moser O'Neil

Proofreader:
 Copywriter:
 Creative Director:
 Account Executive:
 Client:
 Legal:
 Art Produced ☐

Goldberg Moser O'Neil
 77 Maiden Lane
 San Francisco CA 94108

PAN ALONG KEYBOARD.

AVO: 233MHz Intel Pentium II Processor.

SUPER THROUGHOUT:
 800-745-DELL
 WWW.DELL.COM/TV

AVO: 64 megs of SDRAM, 4.3 gig hard drive...

PAN DOWN MINI-TOWER.

CUT TO MONITOR.

AVO: [with emphasis] Microsoft Windows 95 and Home Essentials 98...

CUT TO CD-ROM TRAY.

AVO: A large-screen monitor...

CUT TO SKATER GOING
 THROUGH TEST ON MONITOR
 SCREEN.

AVO: 32X max variable CD-ROM...

CUT BACK TO FULL SYSTEM
 SHOT.

AVO: Even an AGP video card...

FULL SYSTEM SHOT.

AVO: And 24-hour tech support.

CUT TO CAMERA CARD
 CONTAINING:
 - 233MHz INTEL® PENTIUM® II
 PROCESSOR
 - 64MB SDRAM MEMORY
 - 4.3GB HARD DRIVE
 - 1000LS MONITOR (15.9" v.i.s.)
 - MICROSOFT® WINDOWS® 95
 - \$99/MONTH*, 24 MOs.

AVO: The Dell Dimension XPS...

AVO: With a 233Mhz Intel
 Pentium II Processor.

INTEL PENTIUM II MMX LOGO.

CUT TO SKATER RACING
 AROUND STADIUM.

SFX: Intel audio clip (4-tone
 bong).

DHS 01434

FEDERAL TRADE COMMISSION DECISIONS

Complaint

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EXHIBIT B

TV Copy

Client: Dell Computers
Date: December 1, 1997 5:00 PM
Job No.: DEB2142.Rbladel\$99 Lease
Length: :60
FN: The Test
Rev No. 13
Final Approved ☐ ☒
Page: 4

Proofreader:
Copywriter:
Creative Director:
Account Executive:
Client:
Legal:
Art Producer: ☐

Goldberg Moser O'Neill

Goldberg Moser O'Neill
77 Maiden Lane
San Francisco CA 94108

CUT TO FINAL SUPER: DELL®
LOGO, 800-745-DELL AND
WWW.DELL.COM/TV

LEGAL SUPER: ©1997 DELL
COMPUTER CORPORATION.
ALL RIGHTS RESERVED.

AVO: Pure performance. Just
\$99 a month.

AVO: Dell. What can we build
yours to do?

DHS 01435

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge the respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondent that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Dell Computer Corporation is a Delaware corporation with its principal office or place of business at One Dell Way, Round Rock, Texas.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

DEFINITIONS

For the purposes of this order, the following definitions shall apply:

1. "*Clearly and conspicuously*" shall mean as follows:

a. In a television, video, radio, or Internet or other electronic advertisement, an audio disclosure shall be delivered in a volume, cadence, and location sufficient for an ordinary consumer to hear and comprehend it. A video disclosure shall be of a size and shade, and shall appear on the screen for a duration and in a location, sufficient for an ordinary consumer to read and comprehend it.

b. In a print advertisement, a disclosure shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears.

The disclosure shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement.

2. "*Equal prominence*" shall mean as follows:

a. In a television, video, radio, or Internet or other electronic advertisement, a video disclosure shall be presented in the same or similar format, including but not necessarily limited to type size, shade, contrast, duration, and placement. An audio disclosure shall be delivered in the same or similar manner, including but not necessarily limited to volume, cadence, pace, and placement.

b. In a print advertisement, a disclosure shall be presented in the same or similar format, including but not necessarily limited to type size, shade, contrast, and placement.

Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement.

3. "*Total amount due at lease signing or delivery*" as used herein shall mean the total amount of any initial payments required to be paid by the lessee on or before consummation of the lease or delivery of the computer equipment, whichever is later, as required by Regulation M, 12 CFR 213, as amended. The total amount due at lease signing or delivery may: 1) exclude third-party fees, such as taxes, and disclose that fact or 2) provide a total that includes third-party fees based on a particular state or locality as long as that fact and the fact that such fees may vary by state or locality are disclosed. (Section 213.7 of Regulation M, 12 CFR 213.7, as amended.)

4. "*Commerce*" shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. 44.

5. Unless otherwise specified, "*respondent*" shall mean Dell Computer Corporation, a corporation, its successors and assigns and its officers; and each of the above's agents, representatives, and employees.

I.

It is ordered, That respondent, directly or through any corporation, subsidiary, division, or any other device, in connection with any advertisement to promote, directly or indirectly, any consumer lease in or affecting commerce, as "advertisement" and "consumer lease" are defined in Section 213.2 of Regulation M, 12 CFR 213.2, as amended, shall not, in any manner, expressly or by implication:

A. Fail to disclose clearly and conspicuously that any advertised lease terms, including but not limited to a monthly payment amount or downpayment, pertain to a lease offer.

B. Make any reference to any charge that is part of the total amount due at lease signing or delivery or that no such charge is required, not including a statement of the periodic payment, unless the advertisement also states with equal prominence the total amount due at lease signing or delivery.

C. State the amount of any payment or that any or no initial payment is required at lease signing or delivery, if delivery occurs after consummation, without disclosing clearly and conspicuously all of the terms required by Regulation M, as follows:

1. That the transaction advertised is a lease;
2. The total amount due at lease signing or delivery;
3. Whether or not a security deposit is required;
4. The number, amounts, and timing of scheduled payments; and
5. That an extra charge may be imposed at the end of the lease term in a lease where the liability of the consumer is based on the difference between the residual value of the leased property and its realized value at the end of the lease term.

(Section 184(a) of the Consumer Leasing Act ("CLA"), 15 U.S.C. 1667c(a), as amended, and Section 213.7 of Regulation M, 12 CFR 213.7, as amended.)

For radio advertisements, respondent may also comply with the requirements of this subparagraph by utilizing Section 184(c) of the CLA, 15 U.S.C. 1667c(C), and Section 213.7(f) of Regulation M, 12 CFR 213.7(f), as amended. For television advertisements, respondent may also comply with the requirements of this subparagraph by utilizing Section 213.7(f) of Regulation M, as amended.

D. Fail to comply in any other respect with Regulation M, 12 CFR 213, as amended, and the CLA, 15 U.S.C. 1667-1667e, as amended.

II.

It is further ordered, That respondent Dell Computer Corporation, and its successors and assigns, shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying all records that will demonstrate compliance with the requirements of this order.

III.

It is further ordered, That respondent Dell Computer Corporation, and its successors and assigns, shall deliver a copy of this order to all current and future principals, officers, directors, managers, employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondent shall deliver this order to such current personnel within thirty (30) days after the date of service of this order, and to such future personnel within thirty (30) days after the person assumes such position or responsibilities.

IV.

It is further ordered, That respondent Dell Computer Corporation, and its successors and assigns, shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including but not necessarily limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed

filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondent learns less than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C.

V.

It is further ordered, That respondent Dell Computer Corporation, and its successors and assigns, shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

VI.

This order will terminate on July 28, 2019, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

- A. Any Part in this order that terminates in less than twenty (20) years;
- B. This order's application to any respondent that is not named as a defendant in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this Part.

Provided, further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such 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.

Complaint

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IN THE MATTER OF

SNIA S.P.A.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-3889. Complaint, July 28, 1999--Decision, July 28, 1999

This consent order, among other things, requires SNIA S.p.A., a manufacturer and seller of heart-lung machines, to divest certain assets to Baxter Healthcare Corporation in accordance with the divestiture agreement, or to a Commission-approved acquirer.

Participants

For the Commission: *Christina Perez, Michael Barnett, Ann Malester, William Baer, Jeremy Bulow and Louis Silvia.*

For the respondent: *Wm. Randolph Smith, Crowell & Moring, Washington, D.C.*

COMPLAINT

The Federal Trade Commission ("Commission"), having reason to believe that respondent SNIA S.p.A. ("SNIA"), a corporation subject to the jurisdiction of the Commission, has agreed to acquire 100% of the outstanding voting securities of COBE Cardiovascular, Inc., as well as certain cardiopulmonary and other cardiovascular assets and liabilities from COBE Laboratories, Inc. and other subsidiaries of Gambro AB ("Gambro"), a corporation subject to the jurisdiction of the Commission, in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its complaint, stating its charges as follows:

I. THE RESPONDENT

1. Respondent SNIA is a corporation organized, existing and doing business under and by virtue of the laws of Italy, with its principal place of business located at Borgonuovo 14, 20121 Milano, Italy.