Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of Priti Sharma and Rajeev Sharma, Individually and as Officers of Q.P.S., Inc., File No. 022 3278

The Federal Trade Commission has accepted an agreement to a proposed consent order with Priti Sharma and Rajeev Sharma ("proposed respondents"). Proposed respondents were officers of Q.P.S., Inc. ("QPS"), a company that marketed computer peripheral products to the public, including CD-R, CD-RW, and DVD storage products, under the brand name *Que!* In 2002, QPS filed for bankruptcy.

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.

The complaint alleges that proposed respondents engaged in deceptive and unfair practices relating to mail-in rebate offers that QPS advertised to consumers. Proposed respondents are named individually in this complaint because they formulated, directed, or controlled the policies, acts, or practices of QPS, including the acts or practices alleged in the complaint. Specifically, the complaint alleges that proposed respondents falsely represented that QPS-funded rebate checks would be mailed to purchasers of advertised QPS products within six to eight weeks, or within a reasonable period of time. From September 2001 until December 2001, many consumers experienced delays ranging from one to six months in receiving their promised rebates, which ranged from $15 to $100 in value. From January 2002 through July 2002, many consumers experienced similar delays, and thousands of consumers never received their promised rebates from QPS. Despite these significant problems, proposed respondents continually advertised these QPS rebates until shortly before QPS filed for bankruptcy in August 2002.

Finally, the complaint alleges that, in the advertising and sale of computer peripheral products, proposed respondents offered to deliver rebates within six to eight weeks if they purchased the advertised computer peripheral products and submitted valid rebate requests for proposed respondents-funded rebate offers. After receiving rebate requests in conformance with these offers, proposed respondents unilaterally extended the time period in which it would deliver the rebates to consumers without consumers agreeing to this extension of time. According to the complaint, this constituted an unfair business practice.

The proposed order contains provisions designed to prevent proposed respondents from engaging in similar acts and practices in the future. Specifically, Part I.A. prohibits the proposed respondents from representing the time in which they will mail any rebate, unless they possess competent and reliable evidence substantiating the claim. Part I.B. prohibits proposed respondents from failing to provide any rebate within the time specified, or if no time is specified, within thirty days. Part I.C. requires that proposed respondents not "misrepresent, in any manner, expressly or by implication, any material terms of "any rebate program, including the status of or reasons for any delay in providing any rebate."

Parts II through V of the proposed order are reporting and compliance provisions. Part VI is a provision "sunsetting" the order after twenty 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.