

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION**

In the Matter of

**TIM R. WOFFORD,
individually and as an officer
of OKIE CORPORATION.**

DOCKET NO. C-4061

COMPLAINT

The Federal Trade Commission, having reason to believe that Tim R. Wofford, individually and as an officer of OKie Corporation (“respondent”), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Tim R. Wofford is the president and owner of OKie Corporation (“OKie”). Individually or in concert with others, respondent formulated, directed, or controlled the policies, acts, or practices of OKie, including the acts or practices alleged in this complaint. He resides at 68 Donna Road, Needham, MA 02494-1516.
2. OKie is a Delaware corporation with its principal office or place of business at 283A Centre Street, Holbrook, MA 02343. OKie did business as Prime Peripherals. On November 1, 2001, OKie filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, in the United States Bankruptcy Court for the District of Massachusetts, Case No. 01-18390-JNF.
3. Respondent has advertised, labeled, offered for sale, sold, and distributed computer peripheral products to the public, including Prime Peripheral brand modems, CD-Rom drive kits, and recordable compact disks.
4. 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.

FALSE SHIPMENT REPRESENTATIONS

5. Respondent has disseminated or has caused to be disseminated advertisements and rebate forms for computer peripheral products, including but not necessarily limited to the attached Exhibits A through E. These advertisements and rebate forms contain the following statements:

- A. "MOST PEOPLE JUST SEE OUR
**GREAT
PRICES**
ENTREPRENEURS SEE THE
LOW PRICES AND OPPORTUNITIES
TO SAVE THEIR DATA...
AND THEIR MONEY!

FREE!
After Rebate

$\$59.99 - \$14.99 - \$45 = \0
Reg. Price Instant Rebate Mail-in Rebate Final Cost

3 Days Only!
Sunday - Tuesday

PRIME PERIPHERALS
200-Pack CD-R Spindle
....
Limit 1 Rebate"

(Exhibit A, OfficeMax print advertisement placed as free standing insert in newspapers).

- B. "FREE
**AFTER
REBATE**
Some people only see free after rebate.
Entrepreneurs see an opportunity to make money on their savings.

PRIME PERIPHERALS
56K V.90 Modem
....

$\$29.^{99} - \$29.^{99} = \$0$

Reg. Price Mail-in Rebate Final Cost

PRIME PERIPHERALS
50x CD-ROM Drive Kit

....
\$45 - \$45 = \$0

Reg. \$59.99 Mail-in Rebate Final Cost**

(Exhibit B, OfficeMax print advertisement placed as free standing insert in newspapers).

C. "VALID ONLY 2/18/01-2/20/01

....
Save \$45 at OfficeMax on Prime Peripherals™
200-pack CD-R 80 Minute 16x certified blank media (UPC 6-42184-75200-1)
Complete this coupon and send with a copy of **sales receipt** & upc label from package by mail to:

Prime Peripherals Offer #45
PO Box 226
Randolph, MA 02368

Mail my check to:

Name _____

Address _____

City _____ State _____ Zip code _____ Fax _____

Telephone (____) _____ Email address _____

I have complied with the requirements of this offer

45 Required Signature _____ Date _____

TERMS AND CONDITIONS—Offer good on purchases at OfficeMax from **2-18-01 through 2-20-01**. You must submit this original rebate form with a copy of your sales receipt and the original upc label from package. Photocopies of upc will not be accepted. Your request must be postmarked by MARCH 3, 2001....
Limit ONE rebate per person, household, family or address. This offer cannot be combined with any other offer. Requests from PO Boxes not accepted, and

requests with invalid or undeliverable mailing address will be rejected. Offer limited to end-users only. Requests for multiple rebates from groups, clubs, or organizations will not be honored. Your rebate rights cannot be assigned or transferred, and this offer is void where taxed, restricted, or prohibited by law.... Rebate checks will be mailed in approx. 8-10 weeks. If you have not received your check within 12 weeks visit www.forrebates.com or call 1-877-783-3546.”

(Exhibit C, rebate form for Prime Peripherals 200-pack CD-R).

D. “Save \$45
at OfficeMax
on *Prime Peripherals*TM
50X CD-Drive...

FREE up to \$29⁹⁹
at OfficeMax
on *Prime Peripherals*TM
5900 56K modem...
After mail-in Rebate

*Valid only in Continental U.S. Stores 3/11/01-3/17/01; Alaska and Hawaii 3/18/01-3/24/01; Puerto Rico and St. Thomas 3/25/01-3/31/01.

Complete this coupon and send with a copy of **sales receipt** & upc label from package by mail to:
RCG Prime Peripherals Offer #50 or 51 PO Box 226 Randolph, MA 02368

Mail my check to:

Name _____

Address _____

City _____ State _____ Zip code _____ Fax _____

Telephone (____) _____ Email address _____

I have complied with the requirements of this offer

Required Signature _____ Date _____

Please check box for appropriate rebate: Offer #50 Offer #51

TERMS AND CONDITIONS—Offer good on purchases at OfficeMax US, Puerto Rico and St. Thomas stores only. You must submit this original rebate form with a copy of your sales receipt and the original upc label from package. Photocopies of upc will not be accepted. Your request must be postmarked by APRIL 21, 2001.... Limit ONE rebate per person, household, family or address. This offer cannot be combined with any other offer. Requests from PO Boxes not accepted, and requests with invalid or undeliverable mailing address will be rejected. Offer limited to end-users only. Requests for multiple rebates from groups, clubs, or organizations will not be honored. Your rebate rights cannot be assigned or transferred, and this offer is void where taxed, restricted, or prohibited by law.... Rebate checks will be mailed in approx. 8-10 weeks. If you have not received your check within 12 weeks visit www.forrebates.com or call **877-783-3546.**”

(Exhibit D, rebate form for Prime Peripherals 50X CD-Drive and 5900 56K modem).

E. **“Save \$20 on Prime Peripherals 50X CD-Rom at CompUSA (SKU #273808)**

Complete this coupon and send with **copy of sales receipt** & upc label from package by mail to: Prime Peripherals Offer #32
PO Box 821
New Rochelle, NY 10802-0821

Mail my check to:

Name _____

Address _____

City _____ State _____ Zipcode _____ Fax _____

Telephone (____) _____ Email address _____

I have complied with the requirements of this offer

32 **Required** Signature _____ Date _____

TERMS AND CONDITIONS—Offer good on purchases at CompUSA from 12-16-00 through 2-23-00. You must submit this original rebate form with a copy of your sales receipt and the original upc label from package. Photocopies of upc

will not be accepted. Your request must be postmarked by 1-10-01-01.... Limit ONE rebate per person, receipt, household, family or address. This offer cannot be combined with any other offer. Requests from PO Boxes not accepted, and requests with invalid or undeliverable mailing address will be rejected. Offer limited to end-users only. Requests for multiple rebates from groups, clubs, or organizations will not be honored. Your rebate rights cannot be assigned or transferred, and this offer is void where taxed, restricted, or prohibited by law.... Rebate checks will be mailed in approx. 6-8 weeks. If you have not received your check within 8 weeks visit www.tcarebates.com or call 800-390-2344.”

(Exhibit E, rebate form for Prime Peripherals 50X CD-Rom).

6. Through the means described in Paragraph 5, respondent has represented, expressly or by implication, that:

- A. Respondent will mail cash rebates to purchasers of Prime Peripherals computer peripheral products within either six to eight or eight to ten weeks of respondent’s receipt of their requests.
- B. Respondent will mail cash rebates to purchasers of Prime Peripherals computer peripheral products within a reasonable period of time.

7. In truth and in fact:

- A. In numerous instances, respondent did not mail cash rebates to purchasers of Prime Peripherals computer peripheral products within either six to eight or eight to ten weeks of respondent’s receipt of their requests. In many instances, consumers never received their cash rebates from respondent or experienced delays ranging from one to six months.
- B. In numerous instances, respondent did not mail cash rebates to purchasers of Prime Peripherals computer peripheral products within a reasonable period of time. In many instances, respondent never sent consumers their cash rebates or sent them months after receiving consumers’ rebate requests.

Therefore, the representations set forth in Paragraph 6 were, and are, false or misleading.

**UNILATERAL MODIFICATION OF TERMS OR CONDITIONS OF
REBATE OFFER: UNFAIR BUSINESS PRACTICE**

8. In the advertising and sale of Prime Peripherals computer peripheral products, respondent has offered, expressly or by implication, that consumers would receive cash rebates if they purchased a Prime Peripherals computer peripheral product and submitted a rebate form with

proof of purchase. In making this offer, respondent did not require that consumers submit a telephone number, fax number, or email address to be eligible to receive the offered cash rebates. In numerous instances, consumers accepted respondent's rebate offer by purchasing those products and submitting rebate forms with proof of purchase.

9. After receiving rebate requests in conformance with the offer described in Paragraph 8, respondent unilaterally modified the terms or conditions of the rebate offer by requiring that, in addition to submitting a rebate form with proof of purchase, consumers had to submit a telephone number, a fax number, and an email address to receive a rebate. In breach of the original rebate offer, respondent rejected numerous rebate requests from consumers because they did not submit a telephone number, a fax number, and/or an email address.

10. Respondent's practice described above thus has caused substantial and ongoing injury to purchasers of respondent's products that is not outweighed by countervailing benefits to consumers or competition and is not reasonably avoidable by consumers. This practice was, and is, an unfair act or practice.

**FAILURE TO DISCLOSE TERMS OR CONDITIONS OF
REBATE OFFER**

11. In the advertising and sale of Prime Peripherals computer peripheral products, respondent has represented, expressly or by implication, that purchasers of Prime Peripherals computer peripheral products would receive cash rebates if they purchased those products and submitted a rebate form with proper documentation. Respondent has failed to disclose that consumers are required to possess and disclose their telephone number, fax number, and email address on a rebate form to receive those cash rebates. These facts would be material to consumers in their purchase or use of the products. The failure to disclose these facts, in light of the representation made, was, and is, a deceptive practice.

12. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices, in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this eighth day of October, 2002, has issued this complaint against respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL: