



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

Bureau of Consumer Protection
Division of Enforcement

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August 10, 2016

VIA FEDEX

Mr. David J. Park
Mega Sign, Inc.
d/b/a Mega LED Technology
6500 Flotilla Street
Commerce, CA 90040

Dear Mr. Park:

We received your submissions on behalf of Mega Sign, Inc. ("Mega Sign"). During our review, we raised concerns that marketing materials may have overstated the extent to which Mega Sign light-emitting diode ("LED") signs are made in the United States. Specifically, although the signs are assembled in the United States using some U.S. components, key sign parts, including LEDs and power supplies, are imported.

As discussed, unqualified "Made in USA" claims on marketing materials likely suggest to consumers that the products advertised in those materials 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, the imported parts are essential to the function of Mega Sign's products. Accordingly, to avoid deceiving consumers, Mega Sign removed unqualified "Made in USA" claims from affected advertising materials, and replaced them with qualified claims such as "Manufactured in the USA with Domestic and Imported Components." Additionally, Mega Sign provided updated information to its third-party retailers.

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".

Julia Solomon Ensor
Staff Attorney