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ATTORNEY GENERAL ANNOUNCES SETTLEMENT OF CONSUMER PROTECTION CLAIMS AGAINST DELL FINANCIAL

Carson City, NV— Nevada Attorney General Catherine Cortez Masto announced today that Nevada and the Attorneys General of 26 other states has agreed to a \$3.35 million settlement with Dell Financial concerning the company's financing promotions, rebate offers, technical support and repair policies.

Under the agreement, Texas-based Dell, Inc., and its subsidiary, Dell Financial Services, LLC, admit no wrongdoing but agree to pay a total of \$1.5 million in restitution to eligible consumers who file claims within 90 days of today's date. Dell will pay an additional \$1.85 million to the states for reimbursement of legal costs and other expenses.

"I am pleased to work with my fellow Attorneys General to pursue these deceptive practices by manufacturers," said Attorney General Masto. "Consumer protection is one of the important initiatives underscoring my activities as Attorney General."

A group of consumer protection divisions in the offices of various Attorneys General conducted an investigation into Dell's sales practices after customers complained about an array of issues. Some consumers applied for zero-percent financing but were charged higher interest rates; others had trouble obtaining warranty service on their Dell computers. Many said they never received promised rebates. Other complaints concerned questions of customer service, technical support and warranty problems. Dell's responses to these complaints were both slow and cumbersome.

Under the settlement, Dell agreed to:

- Disclose in advertisements for promotional credit offers that the majority of consumers who apply won't qualify for the best annual percentage rate (APR), and disclose the range of initial APRs that consumers who are not considered the "most qualified borrowers" are likely to receive.
- Inform consumers considering applying for promotional financing that the application is for a revolving open credit account, that minimum monthly payments are required and that approval of the account does not guarantee that the consumer will also qualify for conditional financing promotions (such as zero-percent interest for 90 days). Explain how finance charges are calculated, disclose any penalties and inform the consumer whether subsequent purchases made using the credit account will be subject to the same or different financing terms.
- At the time of credit acceptance, disclose whether the applicant has qualified for any conditional financing promotion.
- Fulfill its warranty obligations within 30 days from the date of notification or receipt of a defective product.
- Disclose whether phone-based troubleshooting or remote diagnosis is required before Dell will provide on-site repair or warranty-related service.
- If a rebate is available, provide the necessary rebate documentation at the time product is delivered or the service is provided.
- Mail rebates within the specified timeframe or within 30 days if no date is specified.
- Implement written policies to ensure compliance with the settlement, including procedures that address issues such as:
 - Informing consumers of their right to cancel orders made with the Dell Credit Account within three days after receiving final credit approval and the written terms and conditions.
 - Communication between Dell and Dell Financial Services when a consumer returns a product purchased with credit.
 - Removing consumer accounts from collection agencies and providing accurate information to credit-reporting bureaus.
 - Substantiate any claims Dell makes about the quality of its customer service. Dell can use the term "award-winning" to describe its customer service only if the company received such an award within the past 18 months.

The following states participated in the settlement: Arizona, Arkansas, California, Connecticut, Delaware, Florida, Illinois, Kentucky, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Mexico, North Carolina, Oregon, Ohio, Pennsylvania, South Dakota, Tennessee, Washington, West Virginia, Vermont and Wisconsin.

Consumers may be eligible for restitution regarding a Dell purchase made after April 1, 2005, if :1) They file a claim with the Attorney General's Office within 90 days of today's date regarding the conduct addressed by the agreement; and 2) Dell owes them money. The amount of money to be refunded to individual consumers depends on the number of eligible recipients and the total amount claimed. Nevada residents who haven't submitted complaints but believe they are eligible for refunds should make a request by contacting the Nevada Attorney General's Bureau of Consumer Protection at (775) 684-1169 in northern Nevada, or (702) 486-3194 in southern Nevada.

