



June 7, 2004

Executive Response Team
Gateway, Inc.
610 Gateway Drive
North Sioux City, SD 57049

RE: Technical Support SR 2-1635755530

To Whom It May Concern:

I have been a Gateway Reseller since 1998, and I recommended Gateway 2000 personal computers to friends and family long prior to that, even. Despite the fact that your distribution program was plagued with constant problems, I always consoled myself with the notion that the quality of Gateway systems far surpassed the quality of any of its rivals. The extra hassle that was required of me as a Reseller always seemed worth it, as long as my customers received the Gateway computers that they needed.

That is no longer the case. I placed two orders on behalf of one of my best clients, Keene Advertising, Inc., on June 23, 2000, for a Gateway Destination II PC/TV XL (serial number 0019364136), and on August 9, 2000, for two Gateway E-3400 667 desktops (serial numbers 0019876791 and 0019876792). The Destination's base system was also a Gateway E-3400 series computer. All three systems worked without a problem for about two and a half years, but by 2003, they were freezing repeatedly to the extent that it was impossible to use them for any purpose at all. I called Gateway technical support twice in June, 2003, since I could not figure out what was causing the systems to freeze. In my eyes, it was clearly a hardware problem; pressing Control+Alt+Delete had no effect, and freezing still occurred when I ran Windows 95 in Safe Mode, which loads no drivers or TSR applications of any sort. Your technicians recommended upgrading the flash BIOS images and checking the hard drives of the machines, which I did, but to no avail.

What your technicians did not recommend was that I immediately ship all three machines back to Gateway before the warranty expired in exchange for full replacements, since they had all been sold with defective motherboards. One year passed; since I am a contractor, I had not looked at Keene's computers since I made those calls until this past week, when I again came back to the freezing E-3400s. Finally, after failing to find any relevant information on your web site, I turned to a Google search in desperation, which immediately turned up a knowledge base article from the IT department of my *alma mater*, Harvard College. Apparently, students had faced the exact same problem due to exploding capacitors on faulty motherboards—a problem that Gateway reportedly acknowledged in 2002.

I immediately opened the covers of all three machines, this time focusing on the capacitors. Sure enough, some of them were barely recognizable as such. Yet when I talked to Jeremy and his supervisor on the telephone, they insisted that there could be "other causes" of the systems' collective propensity to freeze

completely and repeatedly. They refused to exchange the systems for working units on the grounds that my call to them had been placed out of warranty.

This line of reasoning, of course, is completely ridiculous. I called about this same problem, as your support logs indicate, not once, but *twice*, in June of 2003, when the systems were covered under warranty. At the time, your support staff should have seen a red flag next to the serial numbers of any one of the machines that I was calling about because, after all, *you sold these computers with exploding capacitors*. I am sure that I do not have to recount the list of fire hazards and health hazards that accompany the sale faulty electronic components; your legal department would be quite unhappy if you were to be held liable for them.

In fact, you should have issued a recall on every system sold with this problem. Upon pointing this out to Jeremy, his response was that not every computer with one of these defective motherboards was affected for sure. He failed to understand that the point of a recall is to avoid unnecessary risk, rather than to remedy existing damage. Either way, Gateway has chosen to do neither. At the very least, either my client or myself should have been contacted with the option of replacing the computers. Yet even when I contacted Gateway, no mention of the problem was made until I brought it up on my own.

Furthermore, I find it interesting that this problem manifests itself only after a considerable period of time has elapsed, bringing affected systems closer and closer to their warranty expiration date before anyone might even notice something wrong. Hypothetically, Gateway would have a lot less to lose in dollar terms if it waited until just after the point when it was required to replace systems to notify customers of the problem.

Ignoring the problem until it is convenient for you is not a valid option, however. You are obligated under your warranty agreement to replace these machines, you should feel compelled to replace them by your legal department due to the obvious legal ramifications, and lastly, consider this: I have sold many, many Gateway systems, and the word "Gateway" will never pass my lips again in the presence of a potential customer if you do not replace these three systems. Your products and service have made me question my own judgment, have made me lose credibility with my customer, and have led me to concur with the numerous industry pundits predicting the imminent dissolution of Gateway. After all, at this rate, I can't imagine that it should take much longer to corrode into oblivion than any of my client's motherboards.

I look forward to hearing from you.

Sincerely,

Aaron Greenspan
President & CEO
Think Computer Corporation

Enclosures: Harvard College KB #0722 (1)
Serial Number Photographs (3)
Defective Motherboard Photographs (3)