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9 Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA

12 FEDERAL TRADE COMMISSION,)

13 Plaintiff,)

14 v.)

15 WORLD CLASS NETWORK, INC.,)
16 a Nevada corporation;)

17 WORLD CLASS TRAVEL, L.L.C.,)
18 a California limited liability corporation;)

19 DANIEL R. DIMACALE, an individual;)

20 DENISE L. DIMACALE, an individual;)

21 ROBERT C.K. LEE, an individual;)

22 HOWARD K. COOPER, an individual; and)

23 JEROME L. GOLDBERG, an individual,)

24 Defendants.)

CIVIL NO.

COMPLAINT FOR
PERMANENT INJUNCTIVE
AND OTHER EQUITABLE
RELIEF

25 Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), for its Complaint
26 alleges:
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28

1 others, he has formulated, directed, controlled, or participated in the acts and practices of
2 defendants World Class Network, Inc. and World Class Travel, L.L.C., including the acts and
3 practices set forth in this complaint. He transacts or has transacted business in this district.

4 8. Defendant Denise L. Dimacale is an owner of defendant World Class Network,
5 Inc. and is Secretary and a director. She resides at 1938 Port Carney Place, Newport Beach,
6 California. At all times material to this complaint, acting alone or in concert with others, she has
7 formulated, directed, controlled, or participated in the acts and practices of defendants World
8 Class Network, Inc. and World Class Travel, L.L.C., including the acts and practices set forth in
9 this complaint. She transacts or has transacted business in this district.

10 9. Defendant Robert C.K. Lee is an owner of defendant World Class Network, Inc.
11 and is executive vice president, chief financial officer and a director. He resides at 22352
12 Formentor, Mission Viejo, California. At all times material to this complaint, acting alone or in
13 concert with others, he has formulated, directed, controlled, or participated in the acts and
14 practices of defendants World Class Network, Inc. and World Class Travel, L.L.C., including the
15 acts and practices set forth in this complaint. He transacts or has transacted business in this
16 district.

17 10. Defendant Howard K. Cooper is president, chief executive officer and a director of
18 defendant World Class Network, Inc. He resides at 5940 Fairhaven Avenue, Woodland Hills,
19 California. At all times material to this complaint, acting alone or in concert with others, he has
20 formulated, directed, controlled, or participated in the acts and practices of defendants World
21 Class Network, Inc. and World Class Travel, L.L.C., including the acts and practices set forth in
22 this complaint. He transacts or has transacted business in this district.

23 11. Defendant Jerome L. Goldberg is an owner of World Class Travel, L.L.C. and has
24 held himself out to be its Chairman. He resides at 4314 Meridian Avenue, Oxnard, California.
25 At all times material to this complaint, acting alone or in concert with others, he has formulated,
26 directed, controlled, or participated in the acts and practices of defendant World Class Travel,
27 L.L.C., including the acts and practices set forth in this complaint. He transacts or has transacted
28 business in this district.

1 **COMMERCE**

2 12. At all times relevant to this complaint, defendants' course of business, including
3 the acts or practices alleged herein, has been or is in or affecting commerce, as "commerce" is
4 defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

5 **DEFENDANTS' BUSINESS PRACTICES**

6 13. Since at least March 1995, World Class Network, Inc. ("World Class Network")
7 has been marketing travel tutorial and network marketing kits to consumers in several states.

8 14. For \$495, World Class Network sells a travel tutorial kit. In the course of
9 marketing that kit, World Class Network represents that by purchasing its travel tutorial
10 consumers will receive sufficient training and support to open and operate a functioning at-home
11 travel business venture. World Class Network tells consumers that the independent travel agent
12 identification card it provides will entitle purchasers to discounts and upgrades of the type
13 generally available to travel agents on their own travel accommodations. World Class Network
14 also tells consumers that through its affiliates, such as World Class Travel, L.L.C. ("World Class
15 Travel"), it will provide travel accommodations at the most competitive prices.

16 15. For an additional \$49, World Class Network also offers consumers its network
17 marketing kit. For this fee, consumers qualify as account executives and are authorized to sell
18 World Class Network's travel tutorial, thereby creating a downline stream of independent travel
19 agents. Account executives earn \$100 for each travel tutorial that they sell and also receive an
20 override commission on the travel sold by their downline agents. World Class Network tells
21 consumers that creating a downline stream is a viable business venture because of the
22 marketability of World Class Network's travel tutorial, including the World Class Network
23 independent travel agent credential.

24 16. World Class Network promotes its travel tutorial and marketing kits at very
25 large recruiting meetings. In addition, individual account executives sell the kits using the same
26 pitch given at recruiting meetings and contained in World Class Network's marketing materials.

1 **VIOLATIONS OF SECTION 5 OF THE FTC ACT**

2 17. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or deceptive acts
3 or practices in or affecting commerce.

4 **COUNT ONE**

5 18. In numerous instances, in connection with the advertising, promotion, marketing,
6 offering for sale, or sale of the World Class Network travel tutorial, defendants have represented,
7 directly or by implication, that purchasers can receive discounts and upgrades on their own travel
8 accommodations of the type generally available to travel agents because the independent travel
9 agent identification card provided by World Class Network is recognized by many travel industry
10 service providers.

11 19. In truth and in fact, in numerous instances purchasers cannot receive discounts and
12 upgrades on their own travel accommodation of the type generally available to travel agents
13 because the independent travel agent identification card provided by World Class Network is not
14 recognized by many travel industry service providers. Many airlines, hotels and car rental
15 companies have policies that require a travel agent to possess a valid International Airlines Travel
16 Agents Network ("IATAN") card to obtain discounts and upgrades for personal travel
17 accommodations, and World Class Network cannot obtain these IATAN cards for its independent
18 travel agents.

19 20. Therefore, defendants' representations, as described in paragraph 18, were and are
20 false and misleading, and constitute deceptive acts or practices in violation of Section 5(a) of the
21 FTC Act, 15 U.S.C. § 45(a).

22 **COUNT TWO**

23 21. In numerous instances, in connection with the advertising, promotion, marketing,
24 offering for sale, or sale of their World Class Network kits, defendants have represented, directly
25 or by implication, that they provide purchasers with sufficient training and support to open and
26 operate a functioning at-home travel business venture, and that purchasers can reasonably expect
27 to achieve various specific levels of earnings.

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22. In truth and in fact, defendants' kits do not provide purchasers with sufficient

1 recession of contracts, the refund of monies paid, and disgorgement of unlawfully obtained
2 profits; and

3 4. Award plaintiff the cost of bringing this action, as well as such other and additional
4 equitable relief as the Court may determine to be proper and just.

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Respectfully submitted,
STEPHEN CALKINS
General Counsel

Dated: _____

Raymond E. McKown
John Andrew Singer
Ann I. Jones