



1 relief for defendants' unfair or deceptive acts or practices in violation of Section 5(a) of  
2 the FTC Act, 15 U.S.C. § 45(a).

3 **JURISDICTION AND VENUE**

- 4 2. This Court has subject matter jurisdiction pursuant to 15 U.S.C. §§ 45(a), 53(b), 57b,  
5 6102(c), and 6105(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345.
- 6 3. Venue in this District is proper under and 6103(a) and 28 U.S.C. § 1391(b) and (c), and in  
7 the Southern Division under L.R. IA 6-1 and L.R. 8-1(a).

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9 **PLAINTIFF**

- 10 4. Plaintiff Federal Trade Commission is an independent agency of the United States  
11 Government created by statute. 15 U.S.C. §§ *et seq.* The Commission enforces Section  
12 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or  
13 practices in or affecting commerce. The Commission may initiate federal district court  
14 proceedings to enjoin violations of the FTC Act and to secure such equitable relief as may  
15 be appropriate in each case, including restitution for injured consumers. 15 U.S.C.  
16 § 53(b).

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18 **DEFENDANTS**

- 19 5. Defendant ASQ, Inc., sometimes doing business as Resort World ("Resort World"), was  
20 incorporated in Nevada in November, 1997. Its principal place of business is at 1050 E.  
21 Flamingo Road, Las Vegas, Nevada. Resort World is in the business of telemarketing  
22 vacation travel packages to consumers throughout the United States. Resort World  
23 transacts or has transacted business in this District and elsewhere.
- 24 6. Defendant Frank A. Abatangelo, Jr. ("Abatangelo") is an owner, director, officer or  
25 manager of defendant ASQ, Inc., and does business at 1050 E. Flamingo Road, Las Vegas,  
26 Nevada. At all times material to this complaint, acting alone or in concert with others, he

1 has formulated, directed, controlled or participated in the acts and practices of defendant  
2 Resort World. He transacts or has transacted business in this District and elsewhere.

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4 **COMMERCE**

- 5 7. At all times relevant to this complaint, the defendants have maintained a substantial course  
6 of trade or business in the offering for sale and sale of vacation travel packages, over the  
7 telephone, through the mail, and via facsimile, in or affecting commerce, as "commerce" is  
8 defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

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10 **DEFENDANTS' BUSINESS ACTIVITIES**

- 11 8. Since at least January, 1999, and continuing thereafter, defendants have engaged in a plan,  
12 program or campaign to market and sell vacation travel packages to consumers throughout  
13 the United States. Defendants send unsolicited faxes to businesses throughout the United  
14 States. These faxes advertise exceedingly low airfares (e.g. \$99 or \$119 for round-trip  
15 tickets to Hawaii or Cabo San Lucas) and a bonus complimentary vacation, such as a  
16 cruise to Mexico or a trip to Las Vegas. The faxes list an 800-number to call for more  
17 information
- 18 9. Consumers who call the 800-number are told that Resort World will provide the airline  
19 tickets at the advertised fare on the condition that the consumer buys a minimum of four  
20 airline tickets and books an eight-day, seven-night stay at accommodations through Resort  
21 World. Salespersons explain that room rates vary according to the type and class of  
22 accommodation and according to the season (e.g., Christmas holidays are more expensive).  
23 They tell consumers that, in order to receive the bargain airline fares, they have to pay for  
24 the program and then arrange their trip after they receive materials from the company. The  
25 telemarketers do not provide specific information regarding the availability of particular  
26 trips or the total costs of the vacation packages. When asked, however, they do provide  
27 general information, such as approximate prices of accommodations and probable

1 availability of lodging at specific times of the year, and generally indicate that Resort  
2 World will be able to accommodate the traveler's needs. Payment is made by credit card.  
3 After the initial telephone call, a verifier calls from Resort World to confirm the purchase  
4 information.

- 5 10. About two weeks after the sale is completed and paid for, the consumer receives a package  
6 from Resort World containing instructions and information about the firm, as well as  
7 certificates to send in to request accommodations. Upon reading this material, consumers  
8 learn that Resort World does not allow them to obtain information about room rates,  
9 accommodations or availability of flights to their desired destinations by phone. Rather,  
10 consumers can only request dates, desired destinations, and type of accommodations by  
11 sending in the travel request forms. This process delays the ability for consumers to

1 13. In numerous instances since at least January, 1999, in connection with the advertising,  
2 marketing, promotion, offering for sale, or sale of discounted airfares as part of vacation  
3 travel packages, defendants have represented, expressly or by implication, that their  
4 vacation travel packages will include lodging at or around specific or "competitive" prices  
5 or for the dates and destinations consumers request.

6 14. In truth and in fact, in numerous instances, defendants' vacation travel packages do not  
7 include lodging at or around specific or "competitive" prices or for the dates and  
8 destinations consumers request.

9 15. Therefore, defendants' representation set forth in Paragraph 13 is false and misleading and  
10 constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15  
11 U.S.C. § 45(a).

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13 **COUNT II**

14 16. In numerous instances since at least January, 1999, in connection with the advertising,  
15 marketing, promotion, offering for sale, or sale of discounted airfares as part of vacation  
16 travel packages, defendants have represented, expressly or by implication, that they will  
17 fill consumers' vacation travel needs in a timely manner.

18 17. In truth and in fact, in numerous instances, defendants do not fill consumers' vacation travel  
19 needs in a timely manner. In some instances, defendants are unable to fill consumers'  
20 travel needs at all.

21 18. Therefore, defendants' representation set forth in Paragraph 16 is false and misleading and  
22 constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15  
23 U.S.C. § 45(a).

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25 **COUNT III**

26 19. In numerous instances, since at least January, 1999, in connection with the advertising,  
27 marketing, promotion, offering for sale, or sale of discounted airfares as part of vacation

1 travel packages, defendants have failed to disclose, in a clear and conspicuous manner,  
2 until after the consumer pays for the discounted airfare advertised, material facts regarding  
3 goods or services that are the subject of the sales offer, including but not limited to  
4 additional costs and conditions.

5 20. Defendants' failure to disclose material facts as set forth in Paragraph 19 is false and  
6 misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the  
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