

IN THE UNITED STATES DISTRICT COURT
OF THE SOUTHERN DISTRICT OF TEXAS
AT HOUSTON, TEXAS

(Civil Action No. _____)

U.S. REPUBLIC COMMUNICATIONS, INC.,
a Texas Corporation, and

THOMAS BREMY,
individually and as an officer of U.S. Republic
Communications, Inc.,
Defendants.

This is an action under Section 43(b) of the Federal Trade Commission Act

16 U.S.C. § 45(a), in connection with the marketing

in violation of Section 5(a) of the FTC Act, and sale of Internet "websites."



been engaged in the business of

8. At all times material hereto, Defendants have b

design and hosting on internet websites and other products in or affecting commerce, as

DEFENDANTS' BUSINESS ACTIVITIES

Since at least February 1998, and continuing thereafter, Defendants have engaged

9.

program or campaign to sell website design and hosting services to small businesses

in a plan, pr

is a set of electronic documents, usually a home page and subordinate pages, readily

A "website

a computer by anyone with access to the Internet, standard software, and knowledge

viewable on

ite's location or address.

of the websi

Defendants, directly or through telemarketers, have contacted various

10.

by telephone, primarily targeting small businesses. In numerous instances,

organization

have represented that: (a) small businesses can try USRC's website design and

Defendants

for the design of their website and no obligation to pay for it

hosting services on a free trial basis.

Defendants will mail or fax a printed copy of the website, with its Internet address, to the small

business in three to five days and (b) USRC will not charge small businesses for the website

they want to purchase the service.

11. In numerous instances, Defendants, directly or through telemarketers, have

contacted employees of small businesses who have stated that they lacked the authority to

purchase USRC's services. Defendants, directly or

authorize purchases on behalf of their employers. In nu

re-only authorizing a

through their telemarketers, have represented to these employees that they a

to make 14. In numerous instances, Defendants use a third-party authorization service to

audio tapes of small businesses purporting to show that the small businesses have agreed to

purchase Defendants' services upon expiration of the free trial period. These authorization tapes

often inadequately disclose that small businesses' phones will be automatically billed and in

numerous instances this disclosure fails to correct Defendants' explicit or implicit representations

of the service cost of the program. In some instances, the disclosure fails to disclose that the program

will be billed to the small business' phone number. In some instances, the disclosure fails to disclose

15. In numerous instances, where small businesses contend that they have not ordered

Defendants' services, Defendants maintain that the small businesses' phones were automatically billed

to the small businesses' phones. In some instances, the disclosure fails to disclose that the program

COUNT III

23. In numerous instances, Defendants have, directly or through telemarketers.....

been unjustly enriched as a result of their unlawful practices. Absent injunctive relief by this

Court, Defendants are likely to continue to injure small businesses and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

