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9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA
11 SOUTHERN DIVISION

12
13 FEDERAL TRADE COMMISSION,

14 Plaintiff,
15 v.

16 TAMARA BELL, individually and as an
17 officer or director of American Veterans'
18 Council, Inc., Children's AIDS Council,
19 Inc., Children's Relief Services, Inc.,
20 Disabled Children's Charity, Inc.,
21 Firefighters' Assistance Foundation, Inc.,
22 and Police and Sheriffs' Support Fund,
23 Inc.; and AMERICAN VETERANS'
24 COUNCIL, INC.; CHILDREN'S AIDS
25 COUNCIL, INC.; CHILDREN'S
26 RELIEF SERVICES, INC.; DISABLED
27 CHILDREN'S CHARITY, INC.;
28 FIREFIGHTERS' ASSISTANCE
FOUNDATION, INC.; and POLICE
AND SHERIFFS' SUPPORT FUND,
INC., California Corporations.
Defendants.

Civil No. SA CV-

COMPLAINT FOR
INJUNCTIVE AND OTHER
EQUITABLE RELIEF

25 Plaintiff, the Federal Trade Commission ("Commission"), for its complaint
26 alleges as follows:

27 1. The Commission brings this action under Section 13(b) of the Federal
28 Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), to obtain permanent

1 injunctive relief against the defendants to prevent them from engaging in deceptive
2 acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a),
3 and to obtain other equitable relief, including rescission, restitution and
4 disgorgement as is necessary to redress injury to consumers and the public interest
5 resulting from defendants' violations of the FTC Act.

6 **JURISDICTION AND VENUE**

7 2. Subject matter jurisdiction is conferred upon this Court by 15 U.S.C.
8 §§ 45(a) and 53(b) and by 28 U.S.C. §§ 1331, 1337(a), and 1345.

9 3. Venue in the Central District of California is proper under 15 U.S.C.
10 § 53(b) and 28 U.S.C. § 1391(b) and (c).

11 **THE PARTIES**

12 4. Plaintiff, the Federal Trade Commission, is an independent agency of
13 the United States Government created by statute. 15 U.S.C. § 41 *et seq.* The
14 Commission enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which
15 prohibits deceptive acts or practices in or affecting commerce. The Commission
16 may initiate federal district court proceedings, by its own attorneys, to enjoin
17 violations of the FTC Act, and to secure such equitable relief as is appropriate in
18 each case, including consumer redress. 15 U.S.C. § 53(b).

19 5. Defendant Tamara Bell, is an officer or director of American Veterans'
20 Council, Inc., Children's AIDS Council, Inc., Children's Relief Services, Inc.,
21 Disabled Children's Charity, Inc., Firefighters' Assistance Foundation, Inc., and
22 Police and Sheriffs' Support Fund, Inc. (collectively the "corporate defendants").
23 Individually or in concert with others, at all times material to this complaint, Tamara
24 Bell has formulated, directed, controlled, or participated in the acts and practices of
25 the corporate defendants as alleged herein. She has transacted business in the
26 Central District of California.

27 6. Defendant American Veterans' Council, Inc., is a California
28 corporation located at 515 South Knott, # 203, Anaheim, CA 92804. A non-stock

1 public benefit corporation, it is organized to carry on business for its own profit or
2 that of its members within the meaning of Section 4 of the FTC Act. It operates in
3 the Central District of California and elsewhere throughout the United States.

4 7. Defendant Children's AIDS Council, Inc., is a California corporation
5 located at 515 South Knott, # 203, Anaheim, CA 92804. A non-stock public
6 benefit corporation, it is organized to carry on business for its own profit or that of
7 its members within the meaning of Section 4 of the FTC Act. It operates in the
8 Central District of California and elsewhere throughout the United States.

9 8. Defendant Children's Relief Services, Inc., is a California corporation
10 located at 515 South Knott, # 203, Anaheim, CA 92804. A non-stock public
11 benefit corporation, it is organized to carry on business for its own profit or that of
12 its members within the meaning of Section 4 of the FTC Act. It operates in the
13 Central District of California and elsewhere throughout the United States.

14 9. Defendant Disabled Children's Charity, Inc., is a California
15 corporation located at 515 South Knott, # 203, Anaheim, CA 92804. A non-stock
16 public benefit corporation, it is organized to carry on business for its own profit or
17 that of its members within the meaning of Section 4 of the FTC Act. It operates in
18 the Central District of California and elsewhere throughout the United States.

19 10. Defendant Firefighters' Assistance Foundation, Inc., is a California
20 corporation located at 515 South Knott, # 203, Anaheim, CA 92804. A non-stock
21 public benefit corporation, it is organized to carry on business for its own profit or
22 that of its members within the meaning of Section 4 of the FTC Act. It operates in
23 the Central District of California and elsewhere throughout the United States.

24 11. Defendant Police and Sheriffs' Support Fund, Inc., is a California
25 corporation located at 515 South Knott, # 203, Anaheim, CA 92804. A non-stock
26 public benefit corporation, it is organized to carry on business for its own profit or
27 that of its members within the meaning of Section 4 of the FTC Act. It operates in
28 the Central District of California and elsewhere throughout the United States.

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1 geographic locations where solicitations were made.

2 16. Defendant Bell left her employment with Lyons and Lane in about June

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1 18. Thinking their donations would support these programs donors from
2 New York to Virginia to California sent millions of dollars to these nonprofits. The
3 programs were mere phantoms, however, and the donors were deceived and the
4 public good deprived of their intended support.

5 **DEFENDANTS' VIOLATIONS OF THE FTC ACT**

6 19. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits deceptive
7 acts and practices in or affecting commerce.

8 **COUNT ONE**

9 **MISREPRESENTATION THAT DONATION IS FOR CHARITY**

10 20. In numerous instances, in connection with soliciting contributions
11 from prospective donors, defendants, directly or through their fundraising agents,
12 have represented, expressly or by implication, that the consumer's donation will go
13 to a legitimate charitable organization whose primary purpose is to serve the public
14 good by assisting veterans, children, police or firefighters.

15 21. In truth and in fact, the consumer's donation does not go to a
16 legitimate charitable organization whose primary purpose is to serve the public
17 good, but instead goes to corporate entities controlled by private persons for their
18 individual pecuniary gain.

19 22. Therefore, the representation described in Paragraph 21 is false and
20 misleading and constitutes a deceptive act or practice in violation of Section 5(a)
21 of the FTC Act, 15 U.S.C. § 45(a).

22 **COUNT TWO**

1 **PRAYER FOR RELIEF**

2 WHEREFORE, the Commission respectfully requests that this Court, as
3 authorized by 15 U.S.C. § 13(b) and pursuant to its own equitable powers:

4 (1) Permanently enjoin defendants from violating Section 5(a) of the FTC
5 Act as alleged in this complaint;

6 (2) Award such relief as the Court finds necessary to remedy the
7 defendants' violations of Section 5(a) of the FTC Act, including, but not limited to
8 the refund of monies paid and the disgorgement of ill-gotten gains; and

9 (3) Award the Commission the costs of bringing this action, as well as
10 such other and additional equitable relief as the Court may determine to be proper
11 and just.

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13 DATED: _____,

14 Respectfully submitted,

15 William E. Kovacic
16 General Counsel
17 CHARLES A. HARWOOD
18 Regional Director
19 TRACY S. THORLEIFSON
20 Attorneys for Plaintiff
21 Federal Trade Commission

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By: _____
Tracy S. Thorleifson