UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

FEDERAL TRADE COMMISSION, Plaintiff, v. 627867 B.C. LTD., D.B.A. NEWPORT GROUP; 633142 B.C. LTD., D.B.A. NEWPORT GROUP; 638541 B.C. LTD., D.B.A. NEWPORT GROUP; 654679 B.C. LTD., D.B.A. NEWPORT GROUP; 651482 B.C. LTD., D.B.A. WEST STAR; STEPHEN ALBERT IRONSIDE, individually and as a Director of 627867 B.C. Ltd., 633142 B.C. Ltd., 638541 B.C. Ltd., 654679 B.C. Ltd., and 651482 B.C. Ltd.; and BRUCE GEORGE ALEXANDER IRONSIDE, individually and as a Director of 627867 B.C. Ltd., 633142 B.C. Ltd., 638541 B.C. Ltd., 654679 B.C. Ltd., and 651482 B.C. Ltd., Defendants.	Civil No. **COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF**

Plaintiff Federal Trade Commission ("FTC" or "Commission") for its Complaint alleges:

1. The FTC brings this action under Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. § 6101 *et seq.*, to secure preliminary and permanent injunctive relief, rescission of contracts, restitution, disgorgement, and other equitable relief for defendants' deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC's Trade Regulation Rule entitled

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"Telemarketing Sales Rule," 16 C.F.R. Part 310.

JURISDICTION AND VENUE

2. Subject matter jurisdiction is conferred upon this Court by 15 U.S.C. §§ 45(a), 53(b), 57b, 6102(c), and 6105(b) and 28 U.S.C. §§ 1331, 1337(a), and 1345.

3. Venue in the Western District of Washington is proper under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b), (c), and (d).

PLAINTIFF

4. Plaintiff Federal Trade Commission is an independent agency of the United States Government created by statute. 15 U.S.C. § 41 *et seq.* The Commission enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The Commission also enforces the Telemarketing Sales Rule ("TSR" or “the Rule”), 16 C.F.R. Part 310, which prohibits deceptive or abusive telemUT(7 T 2#I9("TSR" or9]TT)*8.3(m)8.

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Vancouver, B.C., and #201-1894 West Broadway/#201-2524 Cypress St., Vancouver, B.C. Its registered office is located at #200-3737 Oak St., Vancouver, B.C. 638541 B.C. Ltd. has transacted business throughout the United States.

8. 654679 B.C. Ltd., d.b.a. Newport Group, is incorporated in British Columbia, Canada. Its office and principal place of business have been located at #210-73 East 6th Avenue, Vancouver, B.C. , and #201-1894 West Broadway/#201-2524 Cypress St., Vancouver, B.C. Its registered office is located at #200-3737 Oak St., Vancouver, B.C. 654679 B.C. Ltd. has transacted business throughout the United States.

9. 651482 B.C. Ltd., d.b.a. West Star ("West Star"), is incorporated in British Columbia, Canada. Its office and principal place of business have been located at #210-73 East 6th Avenue, Vancouver, B.C., and #201-1894 West Broadway/#201-2524 Cypress St., Vancouver, B.C. Its registered office is located at #200-3737 Oak St., Vancouver, B.C. West Star has transacted business throughout the United States.

10. Bruce George Alexander Ironside ("Bruce Ironside") is a Director of 627867 B.C. Ltd., 633142 B.C. Ltd., 638541 B.C. Ltd., 654679 B.C. Ltd. (referred to collectively herein as "the Newport Group companies") and West Star. Acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices set forth in this Complaint. He has transacted business throughout the United States.

11. Stephen Albert Ironside, a.k.a. Steve Albert, ("Stephen Ironside") is a Director of the Newport Group companies and West Star. Acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices set forth in this Complaint. He has transacted business throughout the United States.

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VIOLATIONS OF SECTION 5 OF THE FTC ACT

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

COUNT ONE

17. In numerous instances, in connection with telemarketing foreign lottery tickets to consumers, defendants have represented, expressly or by implication, that the consumer is likely to win a large cash award if the consumer purchases lottery tickets from, or otherwise pays money to, defendants.

18. In truth and in fact, the consumer is not likely to win a large cash award if the consumer purchases lottery tickets from, or otherwise pays money to, defendants.

19. Therefore, the representation set forth in Paragraph 17 is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT TWO

20. In numerous instances, in connection with telemarketing to consumers, defendants have represented, expressly or by implication, that the consumer has won a large cash award, but must pay defendants a fee or fees to receive it.

21. In truth and in fact, consumers who pay defendants a fee or fees do not receive the promised large cash awards.

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

COUNT THREE

23. The sale and trafficking in foreign lotteries is a

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24. In numerous instances, in connection with telemarketing foreign lottery tickets or foreign lottery opportunities, defendants have failed to disclose that the sale and trafficking in foreign lotteries is a crime in the United States.

25. Defendants' failure to disclose this material fact is deceptive and violates Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE TELEMARKETING SALES RULE

In the Telemarketing Act, 15 U.S.C. § 6101, *et seq.*, Congress directed the FTC to prescribe rules prohibiting deceptive telemarketing acts or practices. On August 16, 1995, the Commission promulgated the TSR, 16 C.F.R. Part 310. The TSR became effective on December 31, 1995, and has been subsequently amended effective March 31, 2003.

26. Defendants are "sellers" or "telemarketers" engaged in "telemarketing" as those terms are defined in the TSR, 16 C.F.R. §§ 310.2 (z), (bb), (cc).

27. The TSR requires sellers and telemarketers to disclose all material restrictions, limitations, or conditions to purchase, receive, or use the goods or services that are the subject of the sales offer. 16 C.F.R. § 310.3(a)(1)(ii).

28. The TSR prohibits sellers and telemarketers from "making a false or misleading statement to induce any person to pay for goods or services." 16 C.F.R. § 310.3(a)(4).

29. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102 (c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), violations of the TSR constitute deceptive acts or practices in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT FOUR

30. In numerous instances, in connection with telemarketing foreign lottery tickets or foreign lottery opportunities, defendants have made false or misleading statements to induce the purchase of lottery tickets or payment of money, including but not limited to the following:

a. the consumer is likely to win a large cash award if the consumer purchases lottery tickets from, or otherwise pays money to, defendants; and

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b. the consumer has won and will receive a large cash award if the consumer pays defendants a fee or fees.

31. Therefore, defendants have violated Section 310.3(a)(4) of the Rule, 16 C.F.R. § 310.3(a)(4).

COUNT FIVE

32. In numerous instances, in connection with telemarketing foreign lottery tickets or foreign lottery opportunities, defendants have failed to disclose that the sale and trafficking in foreign lotteries is a crime in the United States. Defendants have thereby violated Section 310.3(a)(1)(ii) of the Rule, 16 C.F.R. § 310.3(a)(1)(ii).

COMMON ENTERPRISE

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PRAYER FOR RELIEF

WHEREFORE, plaintiff the Federal Trade Commission, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), and the Court's own equitable powers, requests that the Court:

a. Award plaintiff such preliminary injunctive and ancillary relief, including

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d. Award plaintiff the costs of bringing this action and reasonable attorneys' fees, as well as such other and additional relief as the Court may determine to be just and proper.

Dated:________________________, 2003

Respectfully Submitted,

WILLIAM E. KOVACIC
General Counsel

CHARLES A. HARWOOD
Regional Director

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