

WILLIAM E. KOVACIC
General Counsel

BARBARA ANTHONY
Regional Director, Northeast Region

CAROLE A. PAYNTER (CP 4091)
RONALD WALDMAN (RW 2964)
ANN F. WEINTRAUB (AW3080)
Federal Trade Commission
One Bowling Green
Suite 318
New York, NY 10004
(212) 607-2813; 2814; 2815
Attorneys for Plaintiff

UNITED STATES DISTRICT COURT

1. This is an action under Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §53(b), to secure injunctive and other equitable relief, including rescission of contracts, restitution, and disgorgement for Defendants' deceptive acts or practices in violation of Section

"whites" and other on line services

Southern District of New York.

6. Defendant Liberty Online Services, Inc. ("Liberty"), is a corporation formed under the laws of the state of Florida. Liberty's principal place of business is located at 11900 Biscayne Boulevard, Suite 262, Miami Florida 33181. Defendant Liberty transacts or has transacted business in the Southern District of New York.

7. Defendant National Online Services, Inc. ("National"), is a corporation formed under the laws of the state of Florida. National's principal place of business is located at 11900 Biscayne

business in the Southern District of New York.

8. Defendant B2B Advantage, Inc. is a corporation formed under the laws of the state of

COMMERCE

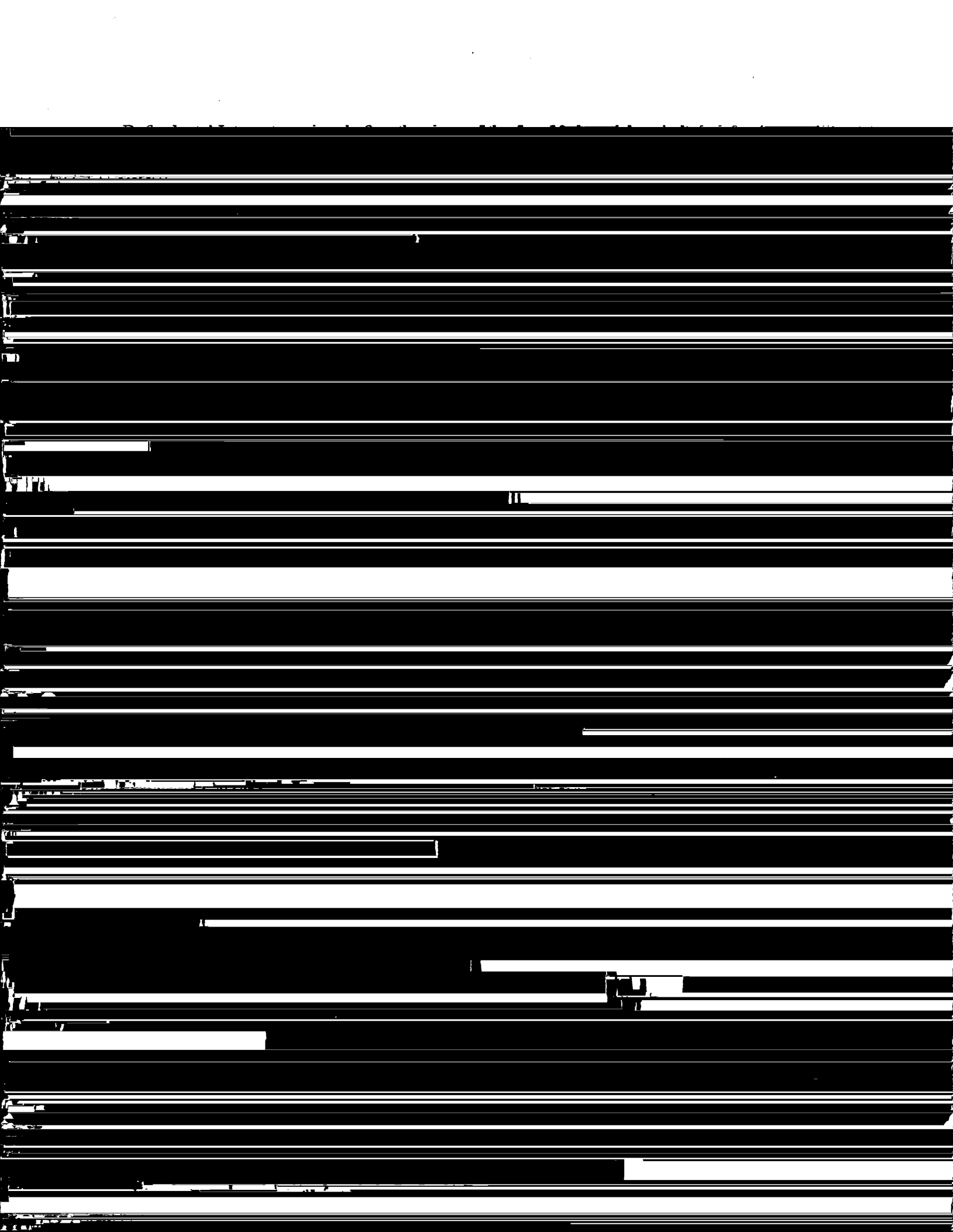
11. At all times relevant to this complaint, defendants have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS' BUSINESS PRACTICES

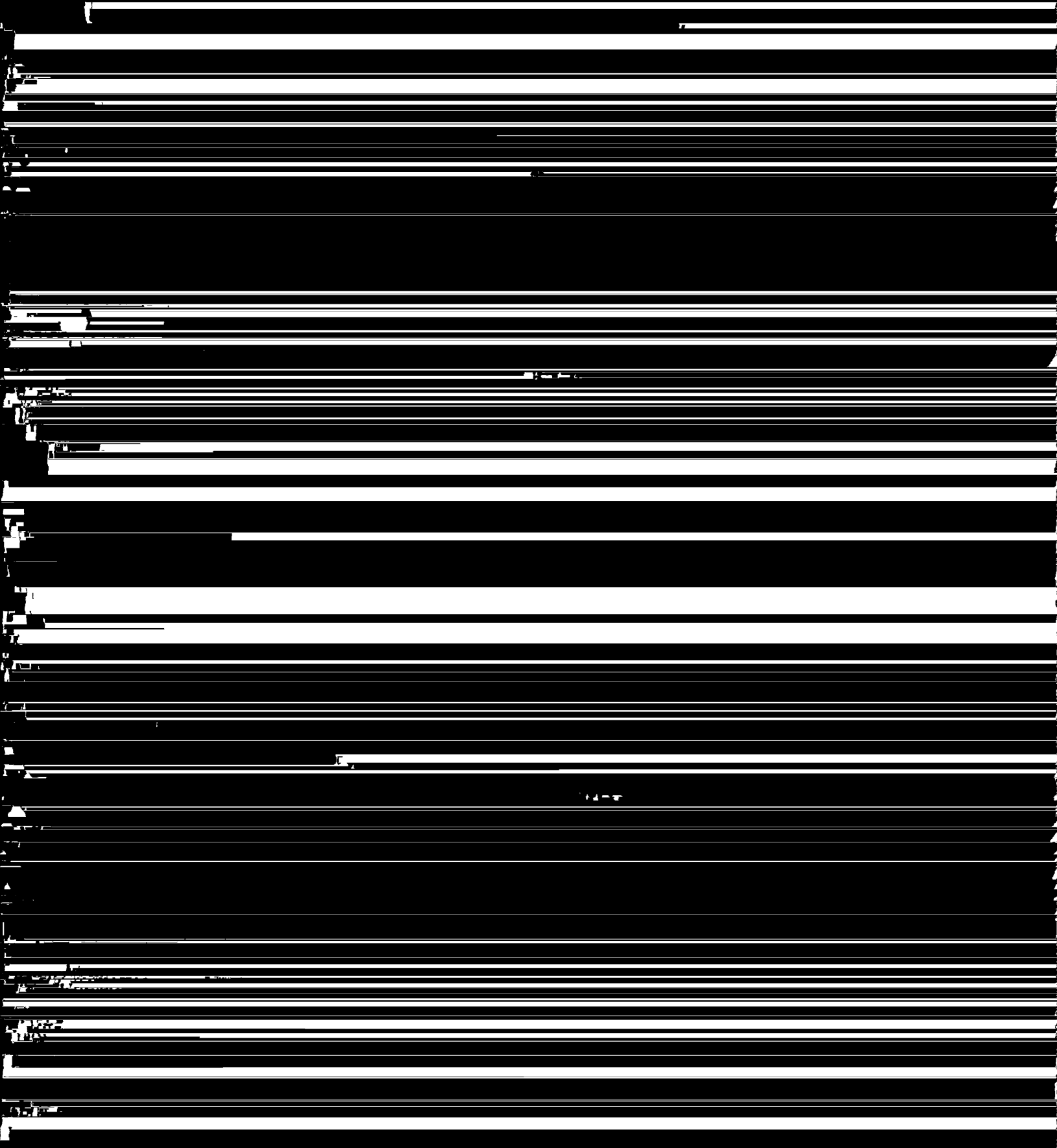
12. Since at least December 2001 and continuing thereafter, Defendants have engaged in a plan, program or campaign to sell Internet services including Internet access, website design and other services to small businesses nationwide. A "website" is a set of electronic documents, usually a home page and subordinate pages, readily viewable on a personal computer by anyone with access to the Internet, standard software and knowledge of the website's location or address.

13. Defendants, using contract telemarketers, sell their Internet services to small businesses

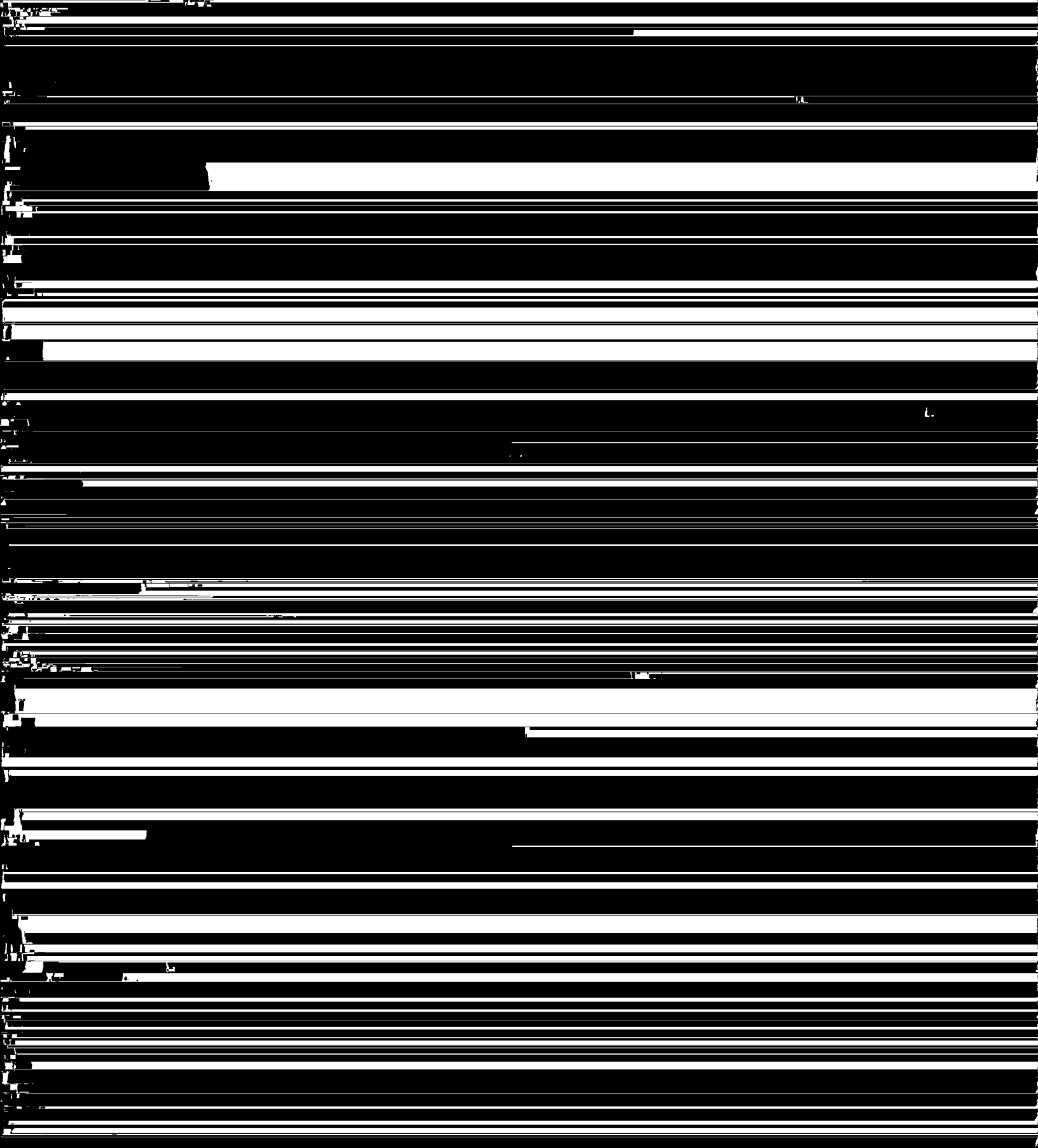




to be signed up for the services and that they will contact Defendants if they are interested



25. In numerous instances, Defendants make audio tapes of consumers that purport to show that the consumer has agreed to purchase Defendant's services.



COUNT II

31. In numerous instances, Defendants have represented, directly or through third-party telemarketers, expressly or by implication, that a consumer will receive a free trial membership without risk or obligation.

32. Defendants have failed to disclose or to disclose adequately to the consumer the negative option features of the trial service, including, but not limited to:

a. That a consumer who fails to contact Defendants within a specified period of time and cancel the trial membership is automatically enrolled as one of Defendants' customers;

b. That the consumer's telephone bill would be charged the service fee unless the consumer cancels the service during the trial period; and

c. The prescribed manner in which the consumer must cancel the trial service, and

other specific steps the consumer must take to avoid the charges; the inception and expiration dates of the trial service; and the date the charges will be submitted for payment.

33. The information contained in Paragraph 32 is material to consumers in their decisions to accept, purchase, or cancel the trial service.

34. Defendants' failure to disclose the material information contained in Paragraph 32, in light of the representations made in Paragraph 31, constitutes a deceptive act or practice in

a result of Defendants' unlawful acts or omissions. In addition, Defendants have been unjustly

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. Award Plaintiff the costs of bringing this action, as well as such other and additional equitable relief as the court may determine to be just and proper.

William E. Kovacic

Respectfully submitted,

WILLIAM E. KOVACIC
General Counsel