UNITED STATES DISTRICT COURT WESTERN DISTRICT OF TEXAS AUSTIN DIVISION

FILED CONTRACTOR

2000 DE -9 Fil W 26

EX. SERVED PROCESS

FEDERAL TRADE COMMISSION,

Plaintiff,

V.

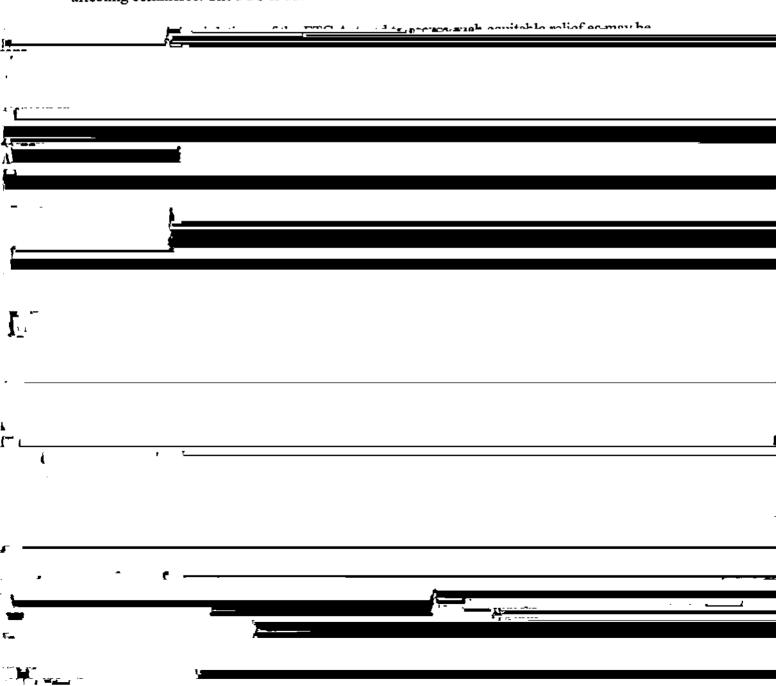
Civil Action No.

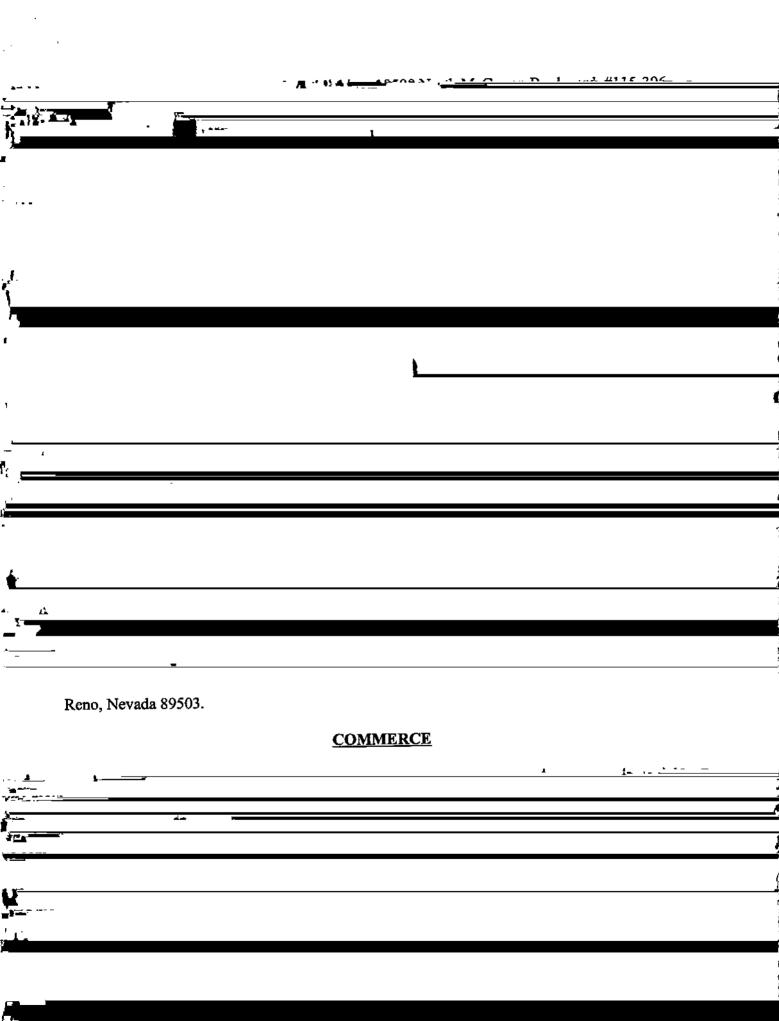
A03CA 905SS

in this district and a substantial part of the events giving rise to these claims occurred in this district.

PARTIES

4. Plaintiff FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC is charged, *inter alia*, with enforcement of 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 FTC is authorized to initiate federal district court proceedings by its own





Would you like to earn \$2,900 to \$5,000, and more, each and every week for as long as you want? Wouldn't that just help you catch up with most of your bills, and allow you some time to relax and enjoy the finer things in life?...

...As you probably know, INSERTING AND MAILING LETTERS IS ONE OF THE EASIEST JOBS IN THE WORLD...All you have to do for us is insert the envelopes that we send you with the letters that we send you and then mail them out so that you can receive your paycheck. Can you find an easier job than this? That pays as well? We can't think of any...Can you? (Emphasis in original, underlining added).

11. Defendants' mailers also directly link the amount of money a consumer can earn to the amount of money the consumer pays to defendants:

For your convenience, we have established 5 Different Income Groups. You choose the group you want to work under. Each Group Has A Different Earning Potential. And A Different Number of Starting Supplies. The earning potential in Group 1 is \$590.00 weekly. Group 2 is \$790.00. Group 3 is \$990.00. Group 4, our most popular group has an earning potential of \$2,900.00 weekly. Group 5 is for a potential of \$2,900.00 weekly. Group 5 is

first \$2,900.00 in pay. When you reach Group 5, you have the potentia make \$5,000.00 and more weekly....

IN ORDER TO GET YOU STARTED IMMEDIATELY, we must require a one-time computer processing and materials fee. The fee must match the income group that you have selected. This one-time fee ensures that you are serious about

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	customer mailing labels.
	Income Group #4, (\$2,900.00) Fee is \$290-We send you 290 letters, 290
	envelopes, 290 customer mailing labels.
	Now only \$149! If you respond within 10 days.
	Income Group #5 - This income group is only for home workers who started under
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send defendants a \$20.00 shipping and handling fee along with a \$59.00, \$79.00, \$99.00 or \$290.00 "application fee" to join into an income group. (Emphasis in original).

17. A majority of defendants' customers failed to receive even a single paycheck. The

	VIOLATIONS OF SECTION 5 OF THE FTC ACT
21.	Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or deceptive acts
or practices in	n or affecting commerce.
22.	As set forth below, defendants, individually or in concert with others, have violated
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services via t	
	<u>COUNT I</u>
23.	In numerous instances, in the course of offering for sale and selling purported
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- 27. In truth and in fact, defendants do not pay consumers \$10.00 per envelope for all or most of the envelopes stuffed and mailed by the consumers.
- 28. Therefore, defendants' representations, as set forth in Paragraph 26, are false and deceptive, in violation of Section 5 of the FTC Act, 15 U.S.C. § 45.

	COUNT III
	the entire of offering for sale and selling numbered
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acts or practices, consumers have suffered substantial monetary loss. In addition, defendants have **†** ·

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.

Dated: December 9, 2003

Respectfully submitted,

WILLIAM E. KOVACIC General Counsel

CHARLES A. HARWOOD Regional Director

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