WILLIAM E. KOV ACIC
General Counsel
JAMES A. PRUNTY
GREGORY A, ASHE
Federal Trade Commission
600 Pennsylvania Ave., N.W., Rm. NJ2122 Washington, D.C. 20580
ATTORNEYS FOR PLAINTIFF

(ph) 202-326-37 19 (Ashe)
(ph) 202-326-243 8 (Prunty)
(fax) 202-326-2558

UNITED STATES DISTRICT COURT MIDDLE DISTRICT OF FLORIDA ORLANDO DIVISION

FEDERAL TRADE COMMISSION, Plaintiff?

AMAD A GUERRA, individually and doing
business as AG Intercraft,

Defendant. II

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER
EQUITABLE RELlEF

Plaintiff, Federal Trade Commission ('cFTC77), by its underB3TTFTC77),

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of ill-gotten gains, and other equitable relief against Defendant for engaging in deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. 3 45(a), and for engaging in deceptive telemarketing acts or practices in violation of the FTC's Trade Regulation Rule entitled "Telemarketing Sales Rule" ("TSR), 16 C.F,R. Part 3 10 as amended, in connection with the advertising, marketing and sale of

including rescission of contracts and restitution, and disgorgement of ill-gotten gains, as may be appropriate in each case. 15 U.S.C. $9 53(b), 57b, and

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10. The telemarketers state that in order to receive assembly-craft work,
consumers must pay a fee of either $96.75 (for consumers mailing a money order directly to AGI) or $106.75 (when AGI mails the materials to consumers cash on delivery (COD)). The telemarketers refer to the fee as a "deposit" or "warranty deposit." The telemarketers explain that the fee will be fully refunded typically after consumers complete a minimum number of crafts. For example, the telemarketers t

expressly or by implication, that consumers who pay Defendant a fee are likely to earn a substantial level of earnings, such as $600 to $800 per week,assembling products at home for Defendant .
21. In truth and in fact, after paying Defendant a fee, few, if any, consumers are likely to earn a substantial level of earnings, such as $600

THE PTC'S TELEMARKETING SALES RULE
26. In 1994, Congress directed the FTC to prescribe rules prohibiting abusive and deceptive telemarketing acts or

exemption telephone calls initiated by a customer in response to an advertisement relating to business opportunities other than business arrangements covered by the Franchise Rule, 16 C.FX. Part 436.

30. 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. 5 57a(d)(3), violations of the TSR constitute unfair or deceptive acts or practices in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. $ 45(a).
3 1. Defendant is a "seller" or "telemarketer" engaged in "telemarketing," as those terms are defined in the FTC Telemarketing Sales Rule. 16 C.F.R. $8 310.2(z), (t) & (u). Defendant's work-at-home business opportunity is not a business arrangement covered by the Franchise Rule, I6 C.F.R. Part 436.
VIOLATIONS OF THE TELEMARKETING SALES RULE
COUNT THREE

32. Since at least April 1, 2003, in numerous instances, in the course of offel-ing
for sale and selling work-at-home business oppoxtunities through telemarketing, Defendant or her employees or agents have misrepresented, directly or by implication, material aspects of the pei-fonnance, efficacy, nature, or central characteristic of goods or services including, but not limited to, the representation that consumers who pay Defendant a fee are likely to earn a substantial level of earnings, such as $600 to $800 per week, assembling products at home for Defendant.

33. Defendant has thereby violated Section 310.3(a)(2)(iii) of the Telemarketing
Sales Rule, 16 C.F.R. 5 3 10.3(a)(2)(iii).

COUNT FOUR
34. Since at least April 1,2003, in numerous instances, in the course of offering
for sale and selling work-at-home business opportunities through telemarketing, Defendant or her employees or agents have misrepresented, directly or by implication, material aspects of the nature or terms of Defendant's refund policy, including that consumers can easily obtain refunds of their initial deposits after assembling a specified number of products.
35. Defendant has thereby violated Section 3 10.3(a)(2)(iv) of the Telemarketing
Sales Rule, 16 C.F.R. 3 3 10.3(a)(2)(iv).

CONSUMER INJURY

36. Consumers throughout the United'States have suffered, and continue to suffer
monetary losses as a result of Defendant's unlawful acts and practices. In addition, Defendant has been unjustly enriched as a result of her unlawful acts and practices. Absent injunctive relief by this Court, Defendant is likely to continue to injure consumers, reap unjust enrichment, and hasrn the public interest,
THIS COURT'S POWER TO GRANT RELIEF

37. Section 13(b) of the FTC Act, 15 U.S.C. 3 53(b), empowers this Court to
grant a permanent injunction, rescission of contracts and restitution, disgorgement of ill-

gotten gains, and other equitable relief to