





6. Defendant NETVERTISE, INC. ("Netvertise"), dba Netspace, is a Florida corporation with its principal place of business at 2801 N.E. 208th Terrace, 2<sup>nd</sup> Floor, Miami, FL 33180. At all times material to this Complaint, Netvertise provided Netspace brand name website promotion software and services to purchasers of Netspace franchises. Netvertise transacts or has transacted business in the Southern District of Florida.

Complaint, the president of corporate defendants Netfran and Netvertise. At all times material to this Complaint, acting alone or in concert with others, defendant Krasnow formulated, directed, controlled, or participated in the acts and practices of the corporate defendants, including the acts and practices set forth in this Complaint. Krasnow transacts or has transacted business in the Southern District of Florida.

8. Defendant Krasnow is subject to a final injunctive order that permanently restrains and enjoins him from, *inter alia*, falsely representing in any manner, directly or







SEO software were “astounding, with some companies finding themselves in the #1 position on major search engines, and all placing within the top 20 for many of their related keywords, often resulting in increased online business of 10-20 times for the client.”

18. In the course of their sales campaign, Defendants represent that Netspace’s SEO software packages alone will be sold by Netspace franchisees to business clients for \$700 to \$2,500 per month, depending on the software package the client purchases.

19. In numerous instances, in telephone contacts and follow-up communications with prospective franchisees, Defendants’ sales agents urge prospective franchisees to develop a sales projection spreadsheet that Defendants’ agents state will help the prospective franchisees

determine their potential profits from a Netspace franchise. Defendants’ agents then provide

20. Through the use of the sales projection spreadsheets that they have caused the prospective franchisees to create, Defendants' sales agents represent, directly or indirectly, that a

21. In numerous instances, in furtherance of their sales campaign, Defendants' sales agents suggest that the prospective franchisee visit Defendants' Miami headquarters to take part in Defendants' Discovery Days. Prospective franchisees are told that at Discovery Days, they will meet with Netspace officers who will evaluate them for their fitness to be awarded a Netspace franchise. Prospective franchisees are urged to create a business plan for review by



COUNT I

Misrepresentations Regarding Income

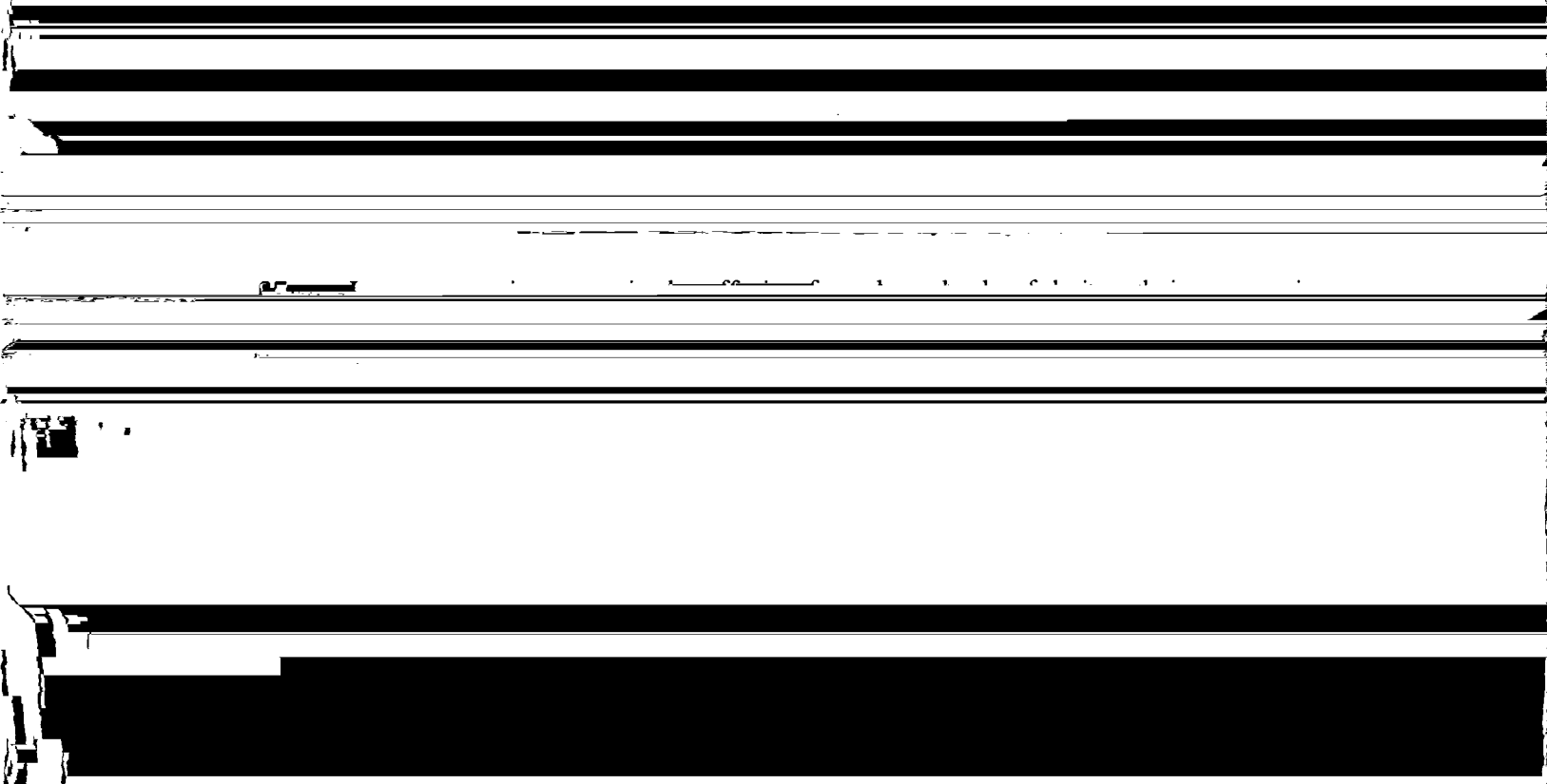
24. In numerous instances in the offering for sale and sale of their website promotion software and services franchises, Defendants represent, directly or indirectly, expressly or by implication, that a consumer who purchases Defendants' franchise is likely to earn substantial income.

25. In truth and in fact, a consumer who purchases Defendants' franchise is not likely to earn substantial income.

26. Therefore, Defendants' representation as set forth in Paragraph 24 is false and misleading and constitutes deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II

Misrepresentations Regarding SFC Software















**CIVIL COVER SHEET**

**I.(a) PLAINTIFFS**

Federal Trade Commission

**DEFENDANTS**

Netfan Development Corporation, NetSpace, Netvertise, Inc.

[REDACTED]



