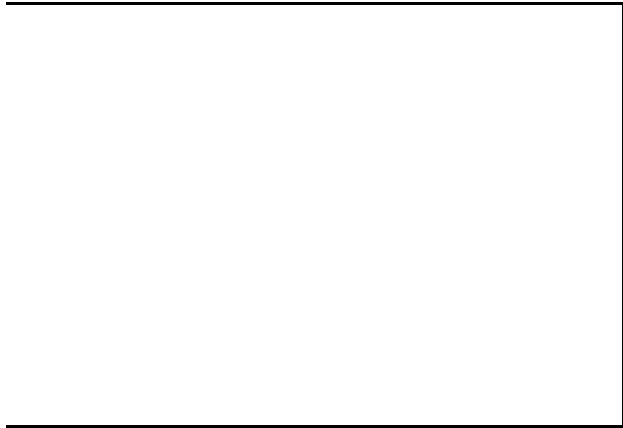


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Telemarketing and Consumer Fraud and Abuse Prevention Act (the "Telemarketing Act"), 15 U.S.C. § 6105, to obtain monetary civil penalties, consumer redress, a permanent injunction, and other equitable relief for defendant's violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC's Telemarketing Sales Rule (the "TSR" or "Rule"), 16 C.F.R. Part 310, as amended by 68 Fed. Reg. 4580, 4669 (January 29, 2003).

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5. Congress directed the FTC to prescribe rules prohibiting abusive and deceptive telemarketing acts or practices pursuant to the Telemarketing Act, 15 U.S.C. §§ 6101-6108, in 1994. On August 16, 1995, the FTC adopted the Telemarketing Sales Rule (the "Original TSR"), 16 C.F.R. Part 310, which became effective on December 31, 1995. On January 29, 2003, the FTC amended the TSR by issuing a Statement of Basis and Purpose and the final amended TSR (the "Amended TSR"). 68 Fed. Reg. 4580, 4669.

6. Among other things, the Amended TSR established a "do-not-call" registry, maintained by the Commission (the "National Do Not Call Registry" or "Registry"), of consumers who do not wish to receive certain types of telemarketing calls. Consumers can register their telephone numbers on the Registry without charge either through a toll-free telephone call or over the Internet at [donotcall.gov](http://donotcall.gov).

7. Consumers who receive telemarketing calls to their registered numbers can complain of Registry violations the same way they registered, through a toll-free telephone call or over the Internet at [donotcall.gov](http://donotcall.gov), or by otherwise contacting law enforcement authorities.

8. Since October 17, 2003, sellers and telemarketers have been prohibited by the Amended TSR from calling numbers on the

Registry in violation of the Amended TSR. 16 C.F.R.

§ 310.4(b)(1)(iii)(B).

9. Since September 2, 2003, sellers, telemarketers, and other permitted organizations have been able to access the Registry over the Internet at [telemarketing.donotcall.gov](http://telemarketing.donotcall.gov) to download the registered numbers.

10. Since October 17, 2003, sellers and telemarketers have been generally prohibited by the Amended TSR from calling any telephone number within a given area code unless the seller first has paid the annual fee for access to the telephone numbers within that area code that are included in the National Do Not Call Registry. 16 C.F.R. § 310.8(a) and (b).

11. Since January 29, 2004, sellers and telemarketers have been prohibited by the Amended TSR from failing to transmit or failing to cause to be transmitted the telephone number, and, when made available by the telemarketer's carrier, the name of the telemarketer, to any caller identification service in use by a recipient of a telemarketing call. 16 C.F.R. § 310.4(a)(7).

12. 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), a violation of the TSR constitutes an unfair or deceptive act or practice in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**DEFENDANT'S BUSINESS ACTIVITIES**

13. Defendant is a "seller" or "telemarketer" engaged in "telemarketing," as defined by the Amended TSR, 16 C.F.R. § 310.2.

14. Defendant is a seller of mortgage loans and refinancing, and other products and services to consumers. Defendant is also a telemarketer because he initiates outbound telephone calls to consumers throughout the United States to induce the purchase of his goods or services or the goods and services of others.

15. Defendant has engaged in telemarketing by a plan, program, or campaign conducted to induce the purchase of goods or services by use of one or more telephones and which involves more than one interstate telephone call.

16. Defendant's communications carrier makes available to defendant the ability to transmit the name of defendant or its telemarketers to any caller identification service.

17. On or after January 29, 2004, defendant has failed to transmit the actual telephone number and name of the telemarketer to consumers' caller identification service. Instead, defendant has transmitted a phony caller ID, 234-567-8923.

18. Because defendant transmits false caller ID, he does not transmit a number that consumers can use to identify the seller or telemarketer.

19. As a result of defendant's transmitting false caller ID, consumers have been thwarted in their efforts to identify defendant and exercise their do not call rights under the TSR.

20. On or after October 17, 2003, defendant has called consumers' telephone numbers that are on the National Do Not Call Registry.

21. On or after October 17, 2003, defendant has called, or caused others to call, telephone numbers in various area codes without first paying the annual fee for access to the telephone numbers within such area codes that are included in the National Do Not Call Registry.

22. On or after February 20, 2004, defendant accessed the Do Not Call Registry and downloaded four area codes for free, but then called telephones in virtually every area code in the United States.

#### **VIOLATIONS OF THE TELEMARKETING SALES RULE**

##### **COUNT I (Failing to Transmit Caller ID)**

23. In numerous instances, in connection with telemarketing, defendant fails to transmit or cause to be transmitted the telephone number, and, when made available by the telemarketer's carrier, the name of the telemarketer, to any caller identification service in use by a recipient of a telemarketing call in violation of the TSR, 16 C.F.R. § 310.4(a)(7).



relief to prevent and remedy any violation of any provision of law enforced by the FTC.

28. Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A), as modified by Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, as amended, and as implemented by 16 C.F.R. § 1.98(d) (1997), authorizes this Court to award monetary civil penalties of not more than \$11,000 for each violation of the TSR. Defendant's violations of the TSR were committed with the knowledge required by Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A).

29. This Court, in the exercise of its equitable jurisdiction, may award ancillary relief to remedy injury caused by defendant's violations of the Rule and the FTC Act.

**PRAYER FOR RELIEF**

WHEREFORE, plaintiff requests that this Court, as authorized by Sections 5(a), 5(m)(1)(A), 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 45(m)(1)(A), 53(b) and 57b, and pursuant to its own equitable powers:

1. Enter judgment against defendant and in favor of plaintiff for each violation alleged in this complaint;
2. Award plaintiff monetary civil penalties from defendant for every violation of the TSR;
3. Permanently enjoin defendant from violating the TSR and the FTC Act;



4. Order defendant to pay the costs of this action; and
5. Award plaintiff such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

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