UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF FLORIDA

Case No. 06-80180-CIV-RYSKAMPMTUNAC

SE? 2 1 2006 FEDERAL TRADE COMMISSION, CLARENCE MADDOX
Plaintiff,
v.

NATIONWIDE CONNECTIONS, INC.,
ACCESS ONE COMMUNICATIONS, INC., PLAINTIFF FEDERAL
NETWORK ONE SERVICES, INC., TRADE COMMISSION'S
WILLOUGHBY FARR, FIRST AMENDED
MARY LOU FARR, COMPLAINT
YARET GARCIA,
ERIKA RIABOUKHA,
QAADIR =ID,

BILLING CONCEPTS, INC.,
ACI BILLING SERVICES, INC.,
d/b/a OAN,
BSG CLEARING SOLUTIONS NORTH
AMERICA, LLC, and

THE BILLING RESOURCE,
d/b/a INTEGRETEL

Defendants.

Plaintiff, the Federal Trade Commission (''FTC" or "Commission"), for its complaint

alleges as follows:

1. The Commission brings this action under Section 13(b) of the Federal

Trade Commission Act ('FTC Act"), 15 U.S.C. 5 53(b), to obtain preliminary and permanent

injunctive relief, including rescission, restitution, redress, disgorgement, and other equitable

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157, West Palm Beach, Florida 33401. Defendant Access One transacts or has transacted business in this District.
7. Defendant Network One Services, Inc. ("Network One") is a Florida
corporation with its principal place of business located at 222 Lakeview Avenue, Suite 160, West Palm Beach, Florida 33401. Defendant Network One transacts or has transacted business in this District.
8. Defendant Willoughby Farr ("Farf') is the chief operating officer of
Access One and a director of Network One. Farr also is a de facto officer and principal in Nationwide. At all times material to this complaint, Defendant Farr, individually or in concert with others, has formulated, directed, controlled, or participated in the acts and practices of
Defendants Nationwide, Access One, and Network One, including the acts and practices set forth
in this complaint. Defendant Farr resides in and transacts or has transacted business in this
District.

9. Defendant Mary Lou Farr ("M.L. Farr"), a/k/a Marie Louise Farr, was a
director of Nationwide and is a de facto officer and principal in Nationwide and Access One.
- Defendant M.L. Farr is Defendant Farr's mother. At all times material to this complaint, Defendant M.L. Farr, individually or in concert with others, has formulated, directed, controlled, or participated in the acts and practices of Defendants Nationwide and Access One, including the
acts and practices set forth in this complaint. Defendant M.L. Farr resides in and transacts or has transacted business in this District.

10. Defendant Yaret Garcia ("Garcia") is the president of Nationwide and a
former director of Access One. At all times material to this complaint, Defendant Garcia,

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individually or in concert with others, has formulated, directed, controlled, or participated in the acts and practices of Defendants Nationwide and Access One, including the acts and practices set forth in this complaint. Defendant Garcia resides in and transacts or has transacted business in this District.
11. Defendant Erika Riaboukha ("Riaboukha") is the president of Access One.
At all times material to this complaint, Defendant Riaboukha, individually or in concert with others, has formulated, directed, controlled, or participated in the acts and practices of Defendants Nationwide and Access One, including the acts and practices set forth in this complaint.
- Defendant Riaboukha resides in and transacts or has transacted business in this District.
12. Defendant Qaadir Kaid ("Kaid") is the president of Network One. At all
times material to this complaint, Defendant Kaid, individually or in concert with others, has formulated, directed, controlled, or participated in the acts and practices of Defendants Nationwide, Access One, and Network One, including the acts and practices set forth in this complaint. Defendant Kaid resides in and transacts or has transacted business in this District.
13. Defendants Nationwide, Access One, Network One, Fan, M.L. Farr,
Garcia, Riaboukha, and Kaid are collectively referred to in this amended complaint as the "Nationwide Defendants."
14. Defendant Billing businessInc.0.0101 Tc 12.375 d�(Defenp�(Billing )Tj�-0.0101 Tc0ely )Tj�-0.03

15. Defendant ACI Billing Services, Inc., d/b/a OAN ("ACI") is a Delaware
corporation with its principal place of business at 7411 John Smith Drive, Suite 200, San Antonio, Texas 78229. Defendant ACI transacts or has transacted business in this District.
16. Defendant BSG Clearing Solutions North America, LLC ("BSG) is a
Delaware corporation with its principal place of business at 741 1John Smith Drive, Suite 200, San Antonio, Texas 78229. Defendant BSG transacts or has transacted business in this District.
17. Defendants Billing Concepts, ACI, and BSG are collectively referred to in
this amended complaint as the "BSG Defendants."
18. The Billing Resource d/b/a/ Integretel ("Integretel") is a California
corporation with its principal place of business at 5883 Rue Ferrari, San Jose, California 95138. Defendant Integretel transacts or has transacted business in this District.
19. Defendants Billing Concepts, ACI, BSG, and Integretel are collectively
referred to in this amended complaint as the "Aggregator Defendants."
20. The Nationwide Defendants and the Aggregator Defendants are
collectively referred to in this amended complaint as "Defendants."
COMMON ENTERPRISE
21. Corporate Defendants Nationwide, Access One, and Network One have
operated as a common enterprise while engaging in the deceptive and unfair acts and practices
alleged below. Individual Defendants Farr,M.L. Fan,Garcia, Riab660 14.25e0.015.5dI099 Tm�(GarSd�(and )

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determine whether the purported collect calls were placed to telephone numbers that are eligible
for collect call billing.
27. To arrange for the placement of the purported collect call charges on
consumers' monthly telephone bills, the Nationwide Defendants entered into agreements with
the Aggregator Defendants under which the Aggregator Defendants agreed to arrange for
placement of the Nationwide Defendants' charges onto consumers' telephone bills from local exchange carriers ("LECs"), such as Verizon, Qwest, SBC, and other local phone service carriers. Under these agreements, the Aggregator Defendants also agreed to handle customer complaints and inquiries from regulatory authorities and LECs.
28. Pursuant to such agreements, the Nationwide Defendants forward their
billing data to the Aggregator Defendants, which then process the Nationwide Defendants' purported collect call data and send it to the appropriate LEC or other local phone service carrier for inclusion on consumers' monthly telephone bills. Frequently, Defendants' collect call charges appear on the last page of a consumer's multi-page telephone bill.
29. The BSG Defendants provided services to Defendant Nationwide,
including processing of Nationwide's charges for placement on consumers' telephone bills and handling customer complaints and inquiries from regulatory authorities and LECs.
30. Integretel provided services to Defendant Access One, including
processing of Access One's charges for placement on consumers' telephone bills and handling customer complaints and inquiries from regulatory authorities and LECs.
31. The per-call charges to consumers billed by Defendants typically from regulatop�(charges )TD9

credit consumers within one to two billing cycles on a future bill, often without any detailed inquiry into consumers' basis for complaint.
38. The Aggregator Defendants receive from the'~~~s payments for the
purported collect call charges. The Aggregator Defendants retain their fees for the billing, collection, customer inquiry, and other services they provide to the Nationwide Defendants before forwarding the balance of the payments to the Nationwide Defendants.

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43. Despite high rates of refund, Nationwide and Access One have garnered
more than fifteen million dollars from their billing efforts. The Aggegator Defendants have also received a portion of the funds paid by consumers.
44. Defendant Fan has received over $5 million of these proceeds despite
being incarcerated at the Palm Beach County Jail since October 2004. Defendant M.L. Fanhas received more than $2 million from Nationwide.
VIOLATIONS OF SECTION 5 OF THEFTC ACT
45. Section 5(a) of the FTC Act, 15 U.S.C. 6 45(a), prohibits "deceptive" or
"unfair" acts and practices in or affecting commerce. Misrepresentations or omissions of material fact constitute "deceptive" acts or practices pursuant to Section 5(a) of the FTC Act. Moreover, under Section 5(n) of the FTC Act, an act or practice is "unfair" if it causes or is likely to cause substantial injury to consumers that is not reasonably avoidable by consumers and is not outweighed by countervailing benefits to consumers or to competition. 15 U.S.C. $45(n). COUNT ONE

Deceptive Billing Practices
46. In numerous instances, Defendants represent or have represented,
expressly or by implication, that a consumer was obligated to pay a charge for a collect telephone call on the consumer's telephone bill.
47. In truth and in fact, in numerous instances, the consumer was not
obligated to pay the charge, because:
(1) the collect call underlying the charge was never made; or
(2) the charge for the collect call was not authorized.

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48. Therefore, Defendants' practices as described in Paragraph 46 are
deceptive and violate Section 5 of the FTC Act, 15 U.S.C. 5 45(a).
COUNT TWO

Unfair Billing Practices
49. In numerous instances, Defendants, directly or indirectly, bill or have
billed a consumer for a collect telephone call that the consumer did not receive or did not authorize.
50. These billing practices cause or are likely to cause substantial injury to
consumers that is not reasonably avoidable and is not outweighed by countervailing benefits to consumers or competition.
51. Therefore, Defendants' practices as described in Paragraph 49 are unfair
and violate Section 5 of the FTC Act, 15U.S.C. 45(a).
CONSUMER INJURY

52. Defendants' violations of Section 5 of the FTC Act, 15U.S .C. 5 45(a), as
set forth above, have caused and are likely to continue to cause substantial injury to consumers.
In addition, Defendants have been unjustly enriched as a result of their unlawful practices.
Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers 2.5 158.63930646s 6 0 em0099 Tc

THtS COURT'S POWER TO GRANT RELIEF

53. Section 13(b) of the FTC Act, 15 U.S.C. 5 53(b), empowers this Court to
grant injunctive and other ancillary equitable relief, including consumer redress, disgorgement and restitution, to prevent and remedy any violations of any provision of law enforced by the Federal Trade Commission.
PRAYER FOR RELFF

WHEREFORE,Plaintiff, the Federal Trade Commission, requests that this Court, as authorized by Section 13(b) of the FTC Act, 15U.S.C. 5 53(b), and pursuant to its own equitable

powers:

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1. Award Plaintiff such preliminary injunctive and ancillary relief as may be
necessary to avert the likelihood of consumer injury during the pendency of this action and to
preserve the possibility of effective final relief.
2. Permanently enjoin Defendants from violating Section 5(a) of the FTC
Act, 15 U.S.C. 5 45(a), as alleged in this complaint.
3. Award such relief as the Court finds necessary to redress injury to
* consumers resulting from Defendants' violations, including, but not limited to, rescission of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies.

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