

WILLIAM BLUMENTHAL
General Counsel

W. DAVID GRIGGS, Texas State Bar No. 08491100
DAMA J. BROWN, Michigan Bar No. P-54775
SUSAN A. ARTHUR, Texas State Bar No. 01365300
Federal Trade Commission

<input checked="" type="checkbox"/> FILED	<input type="checkbox"/> LODGED
<input type="checkbox"/> RECEIVED	<input type="checkbox"/> COPY
NOV 28 2006	
CLERK U S DISTRICT COURT DISTRICT OF ARIZONA P DEPUTY	

Plaintiff, the Federal Trade Commission (“FTC” or “Commission”) for its

Complaint alleges:

1. Plaintiff FTC brings this action under Sections 5(a), 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(a), 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, as amended, to secure temporary, preliminary and permanent injunctive relief, rescission of contracts, restitution, disgorgement of ill-gotten gains, and

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 affecting commerce. The Commission also enforces the Telemarketing Sales Rule, 16 C.F. R. Part 310, as amended, which prohibits deceptive or abusive telemarketing practices. The Commission is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act in order to ensure such equitable relief as is appropriate in each

member of defendant TRG. At all times material to this complaint, acting alone or in concert with others, she has formulated, directed, controlled, or participated in the acts and practices of defendant TRG, including the acts and practices set forth in this

refer to as a “turn-key, risk-free” home-based Internet business program that gives the consumer the “ability to make thousands of dollars” each week. Defendants claim that their business opportunity has unlimited growth and high earning potential.

12. In exchange for fees ranging from \$99 to \$599, defendants promise to

17. After consumers pay for additional advertising packages, they are rarely able to reach a TRG representative to discuss their Web sites or obtain additional “coaching” assistance. Instead, they report reaching voice mail extensions or being advised that a representative will have to call them back. Consumers who reach someone at TRG to complain or ask for a refund are told to be patient and wait. Letters, faxes, and emails are generally unanswered by TRG staff, until the consumer seeks a credit card charge back or files a complaint with the Better Business Bureau or Attorney General’s Office. Once such a complaint is made, TRG will often offer to refund the consumer the initial costs of the business opportunity and, on occasion, a portion of the advertising costs.

18. Most consumers who purchase proposed defendants’ home-based Internet business system do not earn any profits, regardless of the amount of their investment or whether they purchased the additional advertising services.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

19. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or deceptive acts or practices in or affecting commerce.

COUNT I

20. In numerous instances, in connection with the marketing, offering for sale, or sale of The Results Group home-based Internet business system, defendants represent, expressly or by implication, that purchasers of The Results Group home-based Internet business system are likely to earn substantial income.

21. In truth and in fact, purchasers of The Results Group home-based Internet

business system are not likely to earn substantial income.

22. Therefore, defendants' representations set forth in Paragraph 20 are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of

27. The Amended Telemarketing Sales Rule prohibits sellers and telemarketers from misrepresenting any material aspect of an investment opportunity, including, but not limited to, risk, liquidity, earnings potential, or profitability. 16 C.F.R. § 310.3(a)(2)(vi).

28. The Amended Telemarketing Sales Rule prohibits sellers and telemarketers from misrepresenting, directly or by implication, any material aspect of the

COUNT III

33. In numerous instances, in connection with the telemarketing of The Results Group home-based Internet business system, defendants, directly or by implication, have misrepresented the risk, earnings potential, or profitability of their business system by, among other things, falsely claiming that purchasers of defendants' business system are likely to make substantial income.

34. Defendants have thereby violated Section 310.3(a)(2)(vi) of the Amended Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(2)(vi).

COUNT IV

COUNT V

37. In numerous instances, in connection with telemarketing offers to sell The Results Group home-based Internet business system, defendants, directly or by implication, have made false or misleading statements to induce consumers to pay for their home-based Internet system by, among other things, falsely claiming that purchasers of defendants' business system are likely to earn substantial income, and that they provide

Federal Trade Commission.

additional relief as the Court may determine to be just and proper.

Dated: 11/27/06

Respectfully Submitted,

WILLIAM BLUMENTHAL
General Counsel

DEANYA T. KUECKELHAN
Director, Southwest Region

W. David Coniggs