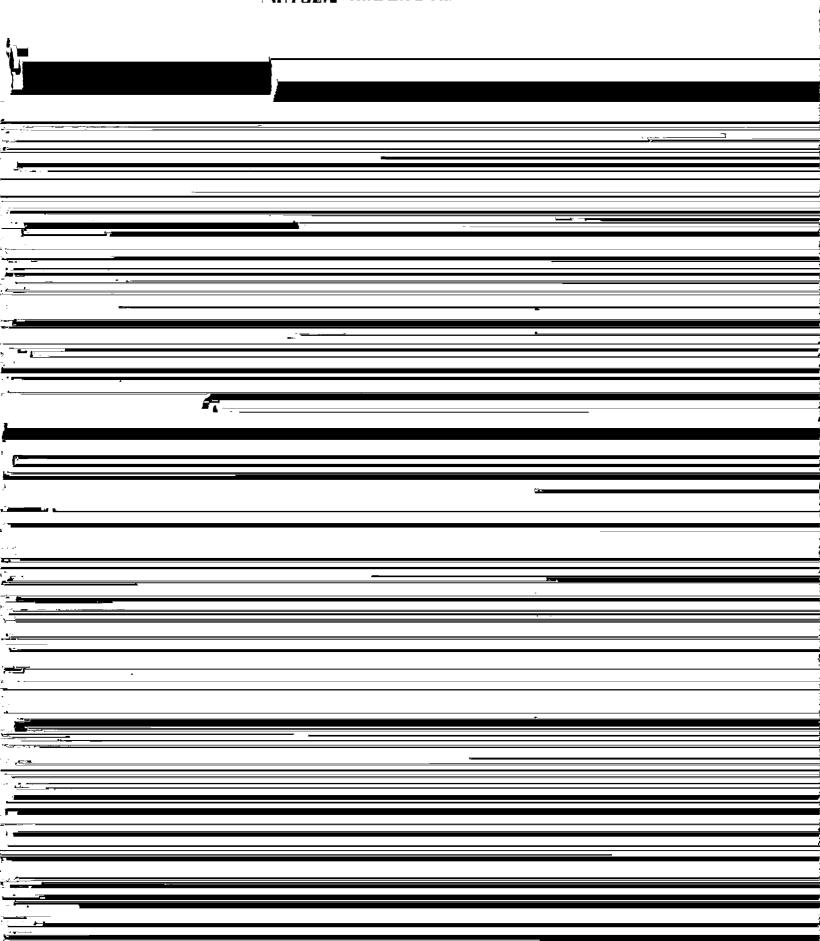
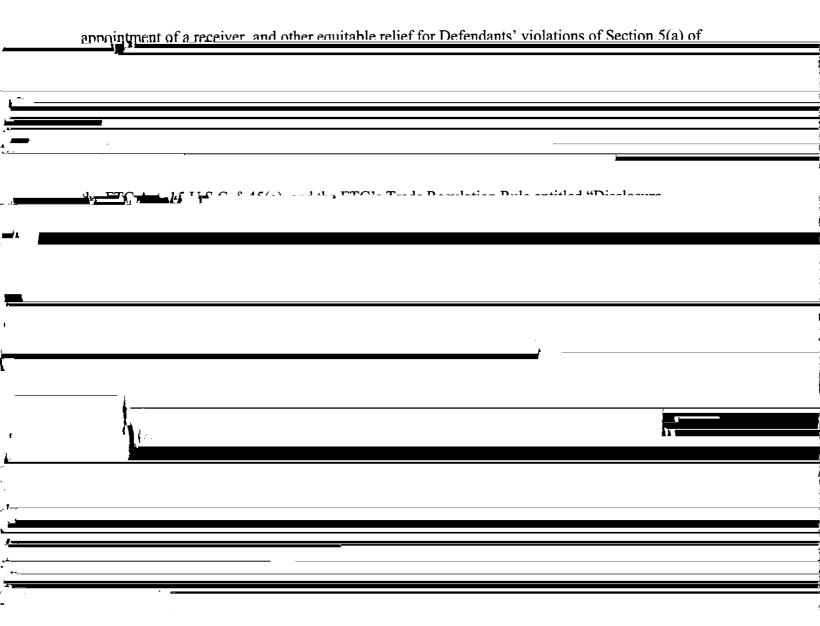
UNITED STATES DISTRICT COURT





Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" ("Franchise Rule" or "Rule"), 16 C.F.R. Part 436.

JURISDICTION AND VENUE

- 2. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1337(a) and 1345, and 15 U.S.C. §§ 53(b) and 57b. This action arises under 15 U.S.C. § 45(a)(1).
- 3. Venue is proper in the United States District Court for the Southern District of Florida pursuant to 28 U.S.C. §§ 1391(b) and (c), and 15 U.S.C. § 53(b).

PLAINTIFF

	Teller Machine ("ATM") and hank card processing husiness ventures. Defendant Fidelity
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COMMON ENTERPRISE

	10.	Corporate defendants Fidelity and Steinberg Group have operated as a common
enterp	rise v	while engaging in the deceptive acts and practices and other violations of law alleged
halaw	Tee d	irridual defendante Adone Steinhaus Andrew Steinhaus and Steinhau Duffie have

formulated, directed, controlled or had authority to control, or participated in the acts of the corporate defendants that comprise the common enterprise.

COMMERCE

At all times relevant to this Complaint, Defendants have maintained a substantial 11. neurpanthypinacintha affarinatorsala and calo of ATM and andit and amazocina

14. Defendants' Web site touts Defendants' ATM business opportunity as having

"high-profit potential" and providing consumers the opportunity to "rapidly build a lucrative operation." Defendants assert that "in 2003, the estimated size of the Automated Teller Machine Industry was over \$14 billion dollars," and Defendants claim that they have "created a proven system that can enable [the consumer] to get in on this virtual profiting monster." Defendants promise consumers a significant amount of business, avowing that, "by working together [with Defendants], those high-volume ATMs with the long lines will be yours!" Defendants proclaim

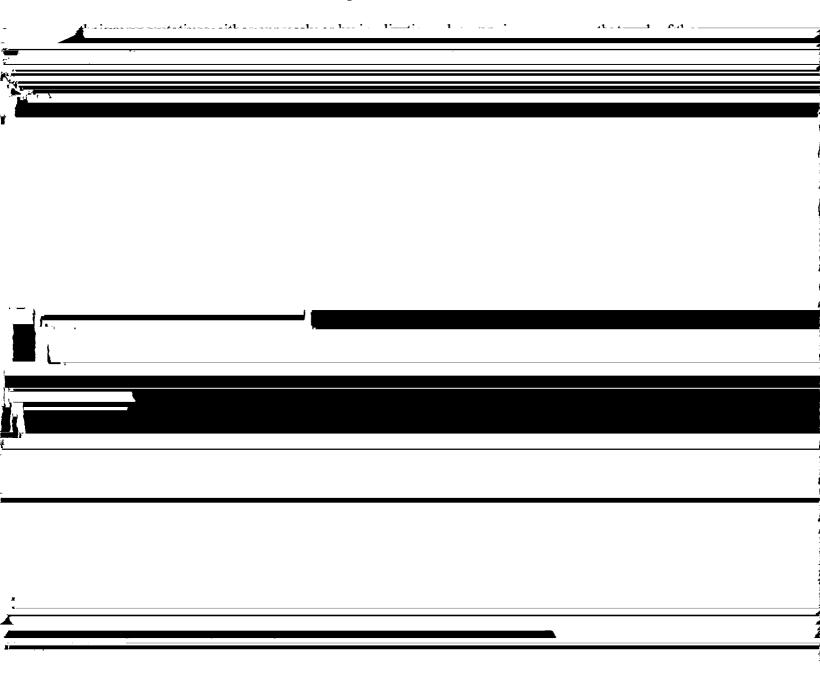
to consumers that "hy simply setting up just 3 ATMs you will begin making IMMEDIATE

profits PLUS continuous residual income Even while you are sleeping! It is that easy!"

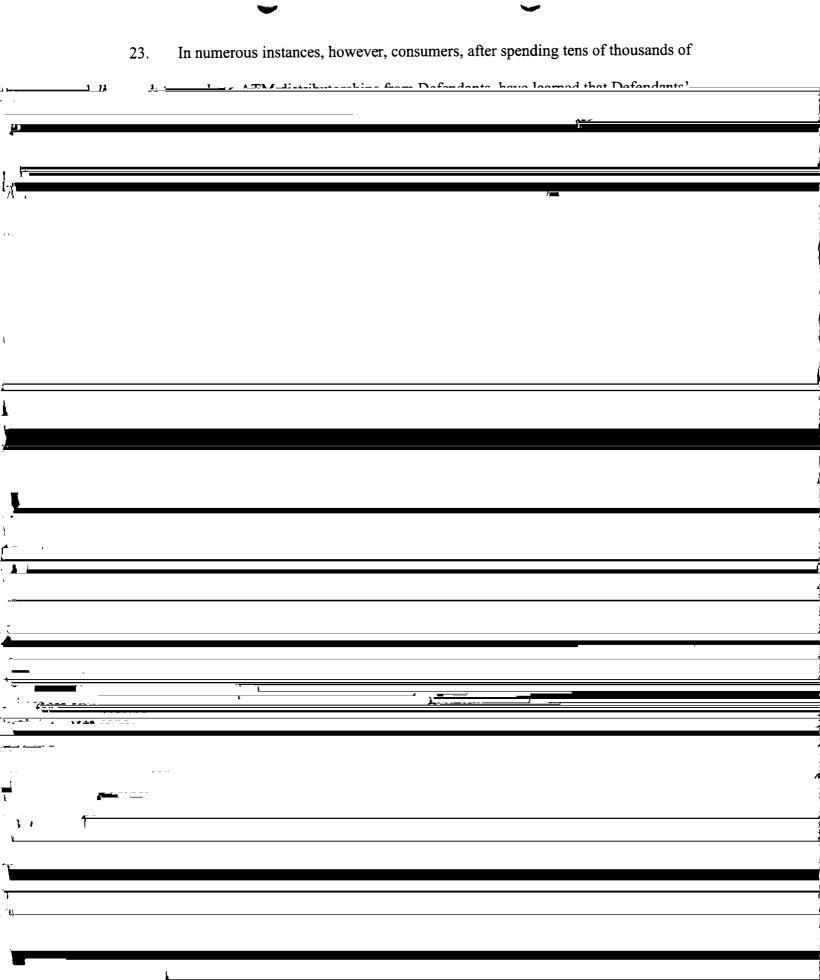
15. Defendants' Web site and advertisements list a toll-free telephone number and an e-mail address for consumers to contact for more information. Consumers who call or e-mail are put in touch with Defendants or their sales representatives, who, in subsequent telephone, e-mail, or face-to-face sales presentations explain Defendants' business opportunity in greater detail

already secured, or will secure within 45 days of purchase, retail locations in which to place the consumer's ATMs.

- 18. In the course of their sales presentations and communications, Defendants and their representatives, either expressly or by implication, also promise consumers that all of the consumer's ATMs will be installed and operational at those locations within 45 days of purchase.
 - 19. In the course of their sales presentations and communications, Defendants and

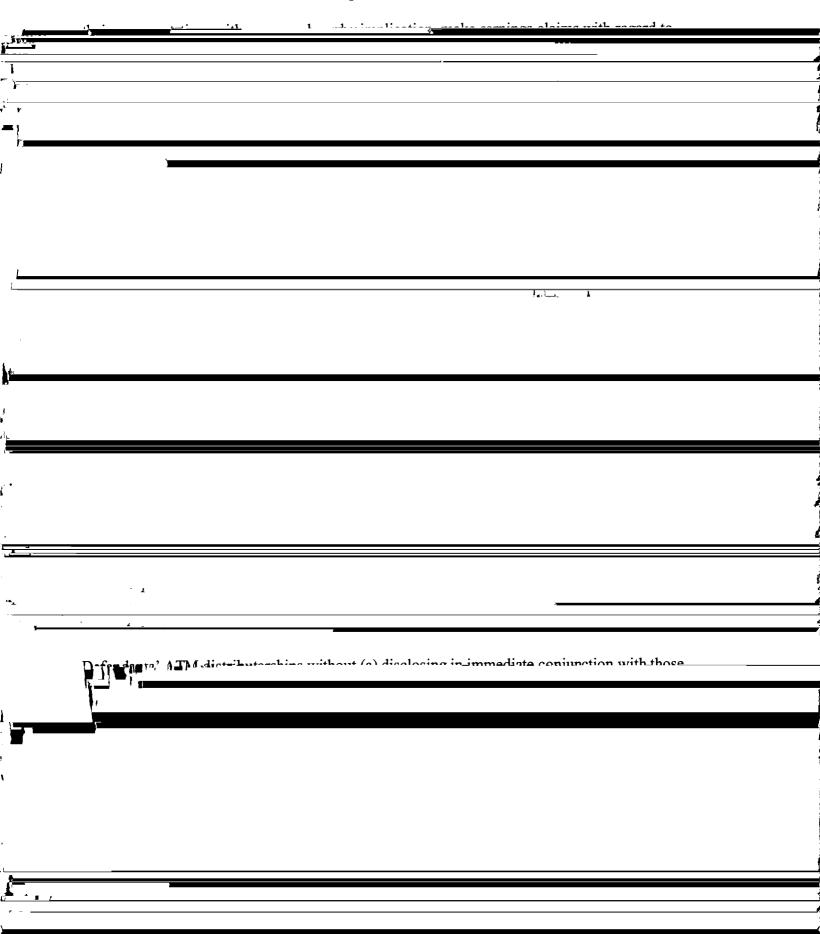


consumer's ATMs will generate a minimum of 12 to 15 withdrawals each day, that a typical surcharge is set at or about \$2.00, and that consumers can therefore expect a daily gross income f \$24 to \$20 mar ATM which translates to a monthly gross income of \$720 to \$000 mar ATM



	28. The "FTC Disclosure Statement" that Defendants provide to potential ATM
distri	butorship purchasers is dated August 1, 2004, and has not been updated quarterly, as
requi	red by the Franchise Rule.
- 1	
Micro	presentations and omissions in violation of the Franchise Rule
	For example, the disclosure statement described in Paragraph 28 fails to disclose
that I	Defendants Andrew Steinberg and Stephen Duffie are officers of Defendant Fidelity, in
viola	tion of the Franchise Rule.
	The disclosure statement described in Paragraph 28 also fails to disclose that
Defe	ndant Fidelity has been sued at least three times by current or former distributors over the
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36. In the course of their sales presentations and communications, Defendants and



- Page 11 of 18
- The disclosure statement described in Paragraph 40 fails to disclose that 45. Defendant Fidelity has been sued at least three times by current or former distributors over the franchise relationship, in violation of the Franchise Rule.
- 46. The disclosure statement described in Paragraph 40 fails to disclose that the Defendant Fidelity has been sued for fraud, conversion and unjust enrichment, in violation of the Franchise Rule.
- The disclosure statement described in Paragraph 40 states that Defendants have 47. operated and offered for sale their bank card processing distributorship program since May 2004, when, in fact, Defendants did not begin operating or offering for sale their bank card distributorships until mid-2006, in violation of the Franchise Rule.

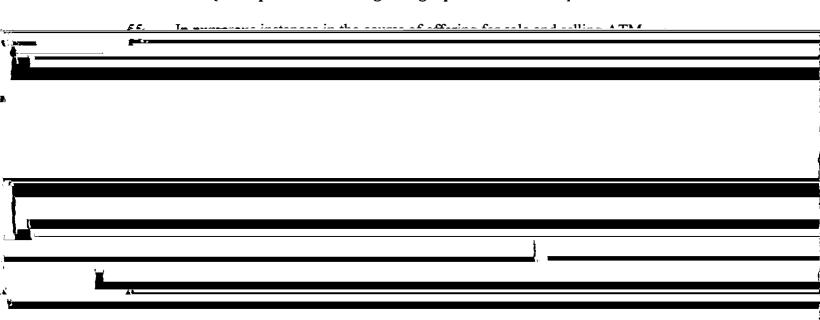
VIOLATIONS OF SECTION 5 OF THE FTC ACT

51. Therefore, Defendants' representations as set forth in Paragraph 49 of this Complaint are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II [Misrepresentations Regarding Placement of ATMs]

- 52. In numerous instances in the course of offering for sale and selling ATM distributorship business ventures, Defendants, directly or indirectly, represent, expressly or by implication, that Defendants have already secured, or will secure within 45 days of purchase, retail locations where consumers' ATMs will be placed.
- 53. In truth and in fact, at the time of offering for sale and selling ATM distributorship business ventures, Defendants have not already secured, nor do they secure within 45 days of purchase, retail locations for consumers' ATMs.
- 54. Therefore, Defendants' representations as set forth in Paragraph 52 of this Complaint are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

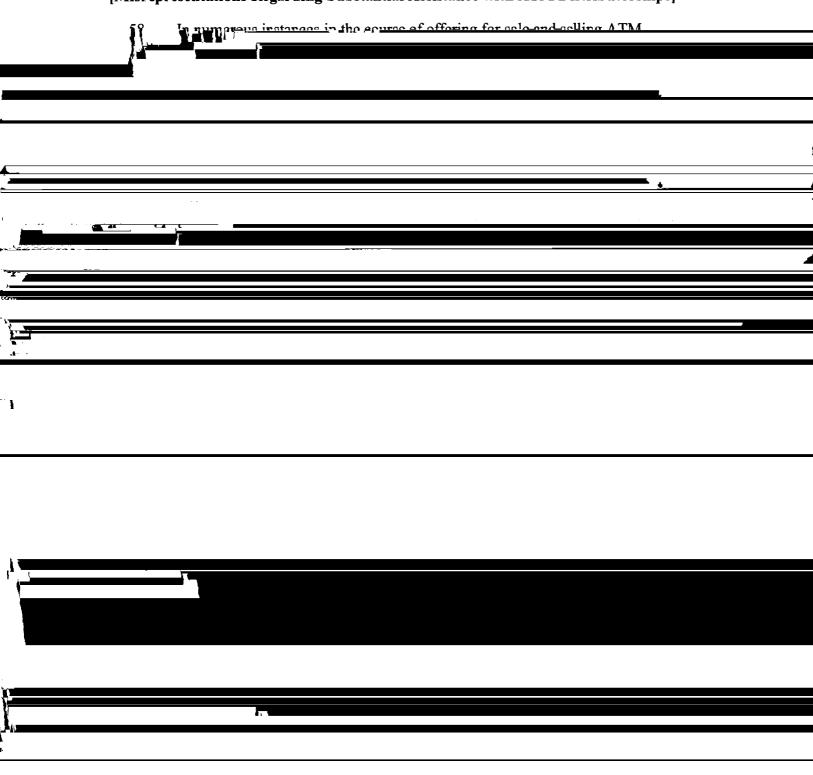
COUNT III [Misrepresentations Regarding Operation of ATMs]



57. Therefore, Defendants' representations as set forth in Paragraph 55 of this Complaint are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

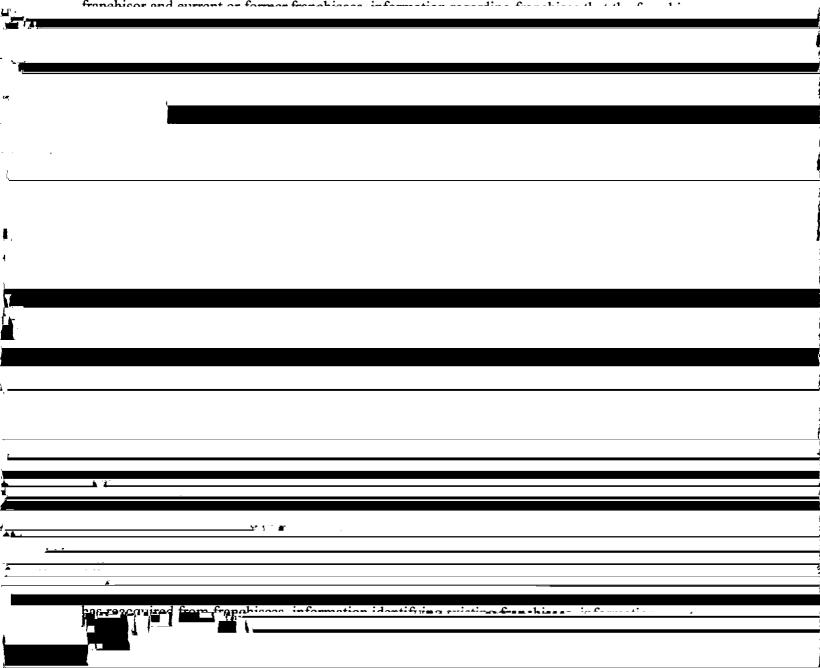
COUNT IV

[Misrepresentations Regarding Substantial Assistance with ATM Distributorships]



THE FRANCHISE RULE

- 61. The business ventures sold by Defendants are franchises, as "franchise" is defined in Section 436.2(a)(1)(ii), (a)(2), and (a)(5) of the Franchise Rule, 16 C.F.R. § 436.2(a)(1)(ii), (a)(2), and (a)(5).
- 62. Among other things, the Franchise Rule requires a franchisor to provide prospective franchisees with a complete, accurate, and current basic disclosure document containing twenty categories of information, including information about the business experiences of the franchisor's executive officers, information regarding litigation between the



for the earnings claim is available to prospective franchisees. 16 C.F.R. $\S 436.1(b)(2)$ and (c)(2); and

- C. provide, as prescribed by the Rule, an earnings claim document containing information that constitutes a reasonable basis for any earnings claim it makes. 16 C.F.R. § 436.1(b) and (c).
- 64. Pursuant to Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), and 16 C.F.R.

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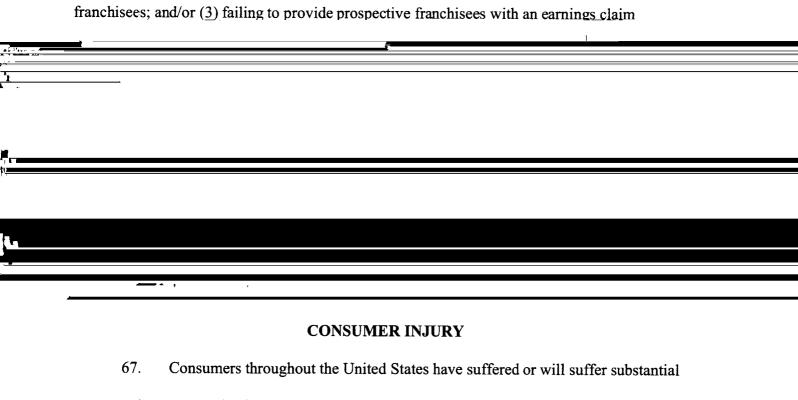
affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE FRANCHISE RULE

COUNT V

[Basic Disclosure Violations with Regard to

Defendants' ATM and Bank Card Processing Distributorships 65



monetary loss as a result of Defendants' violations of Section 5(a) of the FTC Act and the Franchise Rule. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers and harm the public interest.

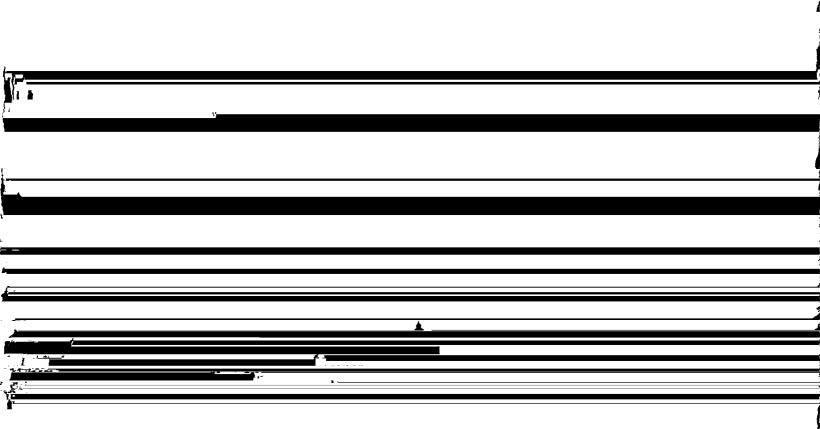
THIS COURT'S POWER TO GRANT RELIEF

- 68. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and other ancillary relief, including consumer redress, disgorgement, and restitution, to prevent and remedy any violations of any provision of law enforced by the Federal Trade Commission.
- 69. Section 19 of the FTC Act, 15 U.S.C. § 57b, authorizes this Court to grant such relief as the Court finds necessary to redress injury to consumers or other persons resulting from

Defendants' unlawful activities, appointing a receiver, freezing Defendants' assets, and granting Plaintiff immediate access to Defendants' business premises for the purpose of inspecting and copying business records;

- 2. Enter a permanent injunction to prevent future violations of the FTC Act and the Franchise Rule by Defendants;
- 3. Award such relief as this Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act and the Franchise Rule, including but not limited to, rescission or reformation of contracts, restitution, refund of monies paid, and disgorgement of ill-gotten monies; and

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Case 9:06-cv-81101-DTKH The JS 44 civil cover sheet and the information contained by local rules of court. This form, approved by the Judic	Therein neither replace nor suppler	nent the filing and service of pleadings in September 1974, is required for	et 12/06/2006 Pages or other papers as required by the use of the Clerk of Court for	age 18 of 18 law, except as provi
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