

1 FAYE CHEN BARNOUW (Calif. Bar No. 168631)  
2 RAYMOND E. McKOWN (Calif. Bar No. 150975)  
3 MARICELA SEGURA (Calif. Bar No. 225999)  
4 Federal Trade Commission  
5 10877 Wilshire Blvd., Suite 700  
6 Los Angeles, CA 90024  
7 Phone: (310) 824-4343; Fax: (310) 824-4380  
8 E-mail: fbarnouw@ftc.gov; rmckown@ftc.gov;  
9 msegura@ftc.gov

6 Attorneys for Plaintiff  
7 Federal Trade Commission

8 GREGORY A. BROWER  
9 United States Attorney  
10 District of Nevada  
11 BLAINE T. WELSH  
12 Assistant United States Attorney  
13 Nevada Bar. No. 4790  
14 333 Las Vegas Blvd. South, Suite 5000  
15 Las Vegas, Nevada 89101  
16 Phone: (702)388-6336  
17 Facsimile: (702)388-6787  
18 E-mail: Blaine.Welsh@usdoj.gov

14 Resident Counsel

16 **UNITED STATES DISTRICT COURT**  
17 **DISTRICT OF NEVADA**

18 FEDERAL TRADE COMMISSION,

19 Plaintiff,

20 v.

21 PUBLISHERS BUSINESS SERVICES, INC.,  
22 a corporation; ED DANTUMA  
23 ENTERPRISES, INC., a corporation, also dba  
24 PUBLISHERS DIRECT SERVICES and  
25 PUBLISHERS BUSINESS SERVICES;

26 PERSIS DANTUMA; EDWARD  
27 DANTUMA; and BRENDA DANTUMA  
28 SCHANG, individually and as officers or  
managers of Publishers Business Services,  
Inc., or Ed Dantuma Enterprises, Inc.,

Defendants.

CV-S-

COMPLAINT FOR INJUNCTIVE  
AND OTHER EQUITABLE RELIEF

1 Plaintiff, the Federal Trade Commission (“FTC”), for its complaint alleges:

2 1. The FTC brings this action under Sections 13(b) and 19 of the Federal Trade  
3 Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer  
4 Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, to obtain  
5 temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts,

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1 6. **Defendant Ed Dantuma Enterprises, Inc.**, also doing business as “Publishers  
2 Direct Services” and “Publishers Business Services,” is a Delaware corporation. Its principal place  
3 of business is at 217 North Westmonte Drive, Altamonte Springs, Florida. Through its  
4 participation in a common enterprise with Defendant Publishers Business Services, Inc., Ed  
5 Dantuma Enterprises transacts or has transacted business in the District of Nevada.

6 7. **Persis Dantuma** is the president, secretary, and treasurer of Publishers Business  
7 Services. She is also the vice president of Ed Dantuma Enterprises. In connection with the matters  
8 alleged herein, Persis Dantuma transacts or has transacted business in the District of Nevada. At  
9 all times material to this complaint, acting alone or in concert with others, Persis Dantuma has  
10 formulated, directed, controlled, had authority to control, or participated in the acts and practices of  
11 Publishers Business Services and Ed Dantuma Enterprises, including the acts and practices set  
12 forth in this complaint.

13 8. **Edward Dantuma** is the president of Ed Dantuma Enterprises. In connection with  
14 the matters alleged herein, Edward Dantuma transacts or has transacted business in the District of  
15 Nevada. At all times material to this complaint, acting alone or in concert with others, Edward  
16 Dantuma has formulated, directed, controlled, had authority to control, or participated in the acts  
17 and practices of Publishers Business Services and Ed Dantuma Enterprises, including the acts and  
18 practices set forth in this complaint.

19 9. **Brenda Dantuma Schang** is a director of Ed Dantuma Enterprises. In connection  
20 with the matters alleged herein, Brenda Dantuma Schang transacts or has transacted business in the  
21 District of Nevada. At all times material to this complaint, acting alone or in concert with others,  
22 Brenda Dantuma Schang has formulated, directed, controlled, had authority to control, or  
23 participated in the acts and practices of Publishers Business Services and Ed Dantuma Enterprises,  
24 including the acts and practices set forth in this complaint.

25 **COMMON ENTERPRISE**

26 10. Defendants Publishers Business Services and Ed Dantuma Enterprises (“Corporate  
27 Defendants”) have operated together as a common enterprise while engaging in the acts and  
28 practices alleged below. Defendants have conducted the business practices described below

1 through an interrelated network of companies that have common ownership, officers, managers,  
2 and business functions. Defendants Persis Dantuma, Edward Dantuma and Brenda Dantuma  
3 Schang have formulated, directed, and/or controlled or had authority to control, or participated in  
4 the acts and practices of the Corporate Defendants that comprise the common enterprise.

#### 5 **DEFENDANTS' COURSE OF BUSINESS**

6 11. Defendants are sellers of magazine subscriptions to consumers. Defendants are also  
7 telemarketers that initiate outbound telephone calls to consumers in the United States to induce the  
8 purchase of Defendants' magazine subscriptions.

9 12. Defendants have engaged in telemarketing by a plan, program, or campaign  
10 conducted to induce the purchase of goods or services by use of one or more telephones and which  
11 involves more than one interstate telephone call.

12 13. At all times relevant to this complaint, Defendants have maintained a substantial  
13 course of trade or business in the offering for sale and sale of goods or services via the telephone,  
14 in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

15 14. Defendants are magazine subscription agents. They have contracts with magazine  
16 publishers that authorize them to solicit subscriptions on behalf of the publishers and to submit  
17 those subscriptions to the publishers' subscription departments or fulfillment agents for processing.

18 15. Defendants' typical method of contacting consumers is to call small businesses and  
19 engage whoever answers the phone. In many cases, the pitch starts with an invitation to take part  
20 in a short survey. At the end of the survey, Defendants offer consumers a gift of some magazines  
21 to thank them for their time. When consumers agree to receive the magazines, Defendants ask for  
22 their home address so that Defendants can have the magazines shipped to them. In the initial call,  
23 Defendants either do not disclose any cost or state that there is a nominal shipping and handling  
24 fee. In other cases, Defendants offer magazine subscriptions for sale but misrepresent the total cost  
25 of the subscriptions.

26 16. In some cases, the initial call is consumers' only contact with Defendants. In other  
27  
28

1 recording of the consumer's consent to receive the magazines. Even when there are "verification  
2 calls," however, Defendants fail to cure their earlier representation that the magazines are free or  
3 for a specified low price. Within a matter of a few weeks, consumers receive an invoice, typically  
4 listing five-year subscriptions for three to six magazines and informing them that they are being  
5 billed for two years of monthly payments, typically totaling \$720, for the subscriptions to which  
6 they had allegedly agreed.

7 17. Defendants tell consumers who call to complain or cancel that they have a verbal  
8 contract that cannot be cancelled and that Defendants have recorded the verification calls.  
9 Defendants also routinely represent that they cannot cancel the subscriptions because they have a  
10 no-cancellation policy and because they have already paid the magazine publishers.

11 18. In many instances, Defendants' agreements with the magazine publishers authorize  
12 them to sell subscriptions only to business locations and not to individual consumers and do not  
13 authorize them to sell subscriptions for periods as long as five years. In many instances,  
14 Defendants' agreements with the magazine publishers require them to remit only a small  
15 percentage or none of the magazine subscription fees that they collect from consumers.

16 19. When consumers refuse to pay or insist on their right to cancel, Defendants subject  
17 them to frequent abusive and harassing phone calls at work, even after consumers ask Defendants  
18 not to call them at work. Defendants threaten consumers with lawsuits, garnishments and other  
19 collection actions if they do not pay for the magazine subscriptions, and at least some consumers  
20 have faced adverse consequences at work because of the frequent phone calls.

### 21 **DEFENDANTS' VIOLATIONS OF THE FTC ACT**

22  
23  
24  
25  
26  
27  
28



1 disclose truthfully, promptly, and in a clear and conspicuous manner to the person receiving the  
2 call, the following information, among other information: (1) the identity of the seller; (2) that the  
3 purpose of the call is to sell goods or services; and (3) the nature of the goods or services. 16  
4 C.F.R. § 310.4(d).

5 30. The TSR also prohibits telemarketers and sellers from misrepresenting, directly or  
6 by implication, in the sale of goods or services, the total costs to purchase, receive, or use, and the  
7 quantity of, any goods or services that are the subject of a sales offer. 16 C.F.R. § 310.3(a)(2)(i).

8 31. The TSR also prohibits telemarketers and sellers from “making a false or  
9 misleading statement to induce any person to pay for goods or services.” 16 C.F.R. § 310.3(a)(4).

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1 use magazines, including that Defendants will send the consumers magazines as a free gift or for a  
2 specified nominal cost.

3 37. Defendants' practice, as alleged in Paragraph 36, is a deceptive  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



1 including rescission of contracts and restitution, and the disgorgement of ill-gotten monies, to  
2 prevent and remedy any violation of any provision of law enforced by the FTC.

3 43. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 6(b) of the Telemarketing  
4 Act, 15 U.S.C. § 6105(b), authorize this Court to grant such relief as the Court finds necessary to  
5 redress injury to consumers resulting from Defendants' violations of the TSR, including the  
6 rescission and reformation of contracts, and the refund of money.

7 **PRAYER FOR RELIEF**

8 **WHEREFORE**, Plaintiff FTC, pursuant to Sections 13(b) and 19 of the FTC Act, 15  
9 U.S.C. §§ 53(b) and 57b, Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), and the  
10 Court's own equitable powers, requests that the Court:

11 1. Award Plaintiff such preliminary and ancillary relief as may be necessary to avert  
12 the likelihood of consumer injury during the pendency of this action and to preserve the possibility  
13 of effective final relief, including but not limited to temporary and preliminary injunctions;

14 2. Enter a permanent injunction to prevent future violations of the FTC Act and the  
15 TSR by Defendants;

16 3. Award such relief as the Court finds necessary to redress injury to consumers  
17 resulting from Defendants' violations of the FTC Act and the TSR, including but not limited to,  
18 rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement  
19 of ill-gotten monies; and

20 4. Award Plaintiff the costs of bringing this action, as well as such other and additional  
21 relief as the Court may determine to be just and proper.  
22

23  
24 Dated: May 12, 2008

Respectfully submitted,  
WILLIAM BLUMENTHAL  
General Counsel

25  
26 /s/ Faye Chen Barnouw  
27 FAYE CHEN BARNOUW  
28 RAYMOND E. McKOWN  
MARICELA SEGURA  
Federal Trade Commission