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FILED

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

MAY 14 2008 **NE**
MAY 14 2008
MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

Civil Action No.

DATA BUSINESS SOLUTIONS INC., also d/b/a
INTERNET LISTING SERVICE CORP.,
ILS CORP., ILSCORP.NET, DOMAIN LISTING
SERVICE CORP., ILS CORP. and

08CV2783
JUDGE DOW

JUDGE DENLOW

[REDACTED]

ARI BALABANIAN;

ISAAC BENLOLO; and

KIRK MULVENEY,

Defendants.

JURISDICTION AND VENUE

1 This Court has subject matter jurisdiction pursuant to 15 U.S.C. §§ 45(a) and

53(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345.

2 This Court has subject matter jurisdiction pursuant to 15 U.S.C. §§ 45(a) and 53(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345.

5. Defendant Ari Balabanian is an officer and director of Data Business Solutions.

At all times relevant to this complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices of Data Business Solutions, including the acts and practices set forth in this complaint. Ari Balabanian transacts or has transacted business in the Northern District of Illinois and throughout the United States.

6. Defendant Isaac Benlolo is a principal of Data Business Solutions. At all times

relevant to this complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices of Data Business Solutions, including the acts and practices set forth in this complaint. Isaac Benlolo transacts or has transacted business in the Northern District of Illinois and throughout the United States.

7. Defendant Kirk Mulveney is a principal of Data Business Solutions. At all times

relevant to this complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices of Data Business Solutions, including the acts

with a "domain name registrar" that is accredited by The Internet Corporation for Assigned Names and Numbers ("ICANN").

10. "Search optimization," also known as "search engine optimization," means a process or method for increasing the amount of traffic to a Web site by improving or optimizing the Web site in a way that improves the Web site's ranking or position when consumers conduct Internet searches using search engines.

DEFENDANTS' COURSE OF CONDUCT

11. Since at least August 2004, and continuing thereafter, defendants have sent unsolicited e-mails to consumers throughout the United States that appear to be invoices or

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

13. The initial mailing that consumers receive is a one page, two-sided document displayed in a format similar to invoices that consumers receive for existing accounts. Most of the mailing is devoted to providing payment instructions to consumers. Although there is a single disclosure on one side of the invoice stating that the document is a solicitation, not a bill,

is located in the middle of the back page of the document and

many consumers fail to observe it. Furthermore, this single disclosure fails to comply, in many respects, with the United States Postal Service's disclaimer requirements for Solicitations in Guise of Bills, Invoices, or Statements of Account. *See* 39 U.S.C. § 3001(D) and 39 U.S.C. § 3005. Most consumers who receive defendants' mailings and make payments to defendants only do so because they fail to see the disclosure.

14. Most consumers who receive the mailings and make payments to defendants are led to believe that defendants are their current domain name registrar, or a party affiliated with

annual renewal notices that are similar to the original mailing, except that they do not contain

19. For the vast majority of consumers who pay the invoices, defendants simply pocket the consumers' money in exchange for doing nothing.

20. Thousands of consumers who have been deceived by defendants' mailings have paid defendants a fee ranging from at least \$35.00 to \$75.00, and have not received the services promised by defendants.

VIOLATIONS OF THE FEDERAL TRADE COMMISSION ACT

21. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or deceptive acts or practices in or affecting commerce. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

COUNT I

22. In numerous instances, in connection with the offering for sale, or sale, of annual "website address" listings, defendants have represented to consumers, expressly or by implication, that consumers have a preexisting business relationship with defendants.

23. In truth and in fact, in numerous instances, consumers do not have a preexisting business relationship with defendants.

consumers' current domain names.

26. In truth and in fact, in numerous instances, consumers do not owe money to defendants for the continued registration of the consumers' current domain names.

27. Therefore, defendants' representation as set forth in Paragraph 25 is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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, including, but not limited to, temporary and preliminary injunctions, and an order freezing assets;
2. Enter a permanent injunction to prevent future violations of the FTC Act by defendants;
3. Award such relief as the Court finds necessary to redress injury to consumers resulting from defendants' violations of the FTC Act, including, but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and
4. Award plaintiff the costs of bringing this action, as well as such other and

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

[REDACTED]

Dated: May 14, 2008

Respectfully Submitted,

WILLIAM BLUMENTHAL
General Counsel

Karen D. Dodge

KAREN D. DODGE
MARISSA J. REICH
Attorneys for Plaintiff
Federal Trade Commission
55 West Monroe Street, Suite 1825