

UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

GROUP ONE NETWORKS, INC., a corporation also  
d/b/a Credit Line Gold Card, The USA Workers,  
TheUSAWork.com, and TheUSAWorkers.com;

US GOLD LINE, LLC, a corporation also d/b/a  
USGoldLine.com, Gainesway Credit, and  
GaineswayCredit.com;

MY ONLINE CREDIT STORE, LLC, a corporation  
also d/b/a MyOnlineCreditStore.com, MYOnlinecr.com,  
Diamond Executive, NewECredit, and

Line, LLC, My Online Credit Store, LLC, Credit First  
Financial Solution, LLC, Tall Pines Administrative  
Services, LLC, and Suncoast Data Services, LLC;

and

BRETT FISHER, individually and as Chief Executive  
Officer of Group One Networks, Inc. and Group One  
Administrative, Inc., and Manager of US Gold Line,  
LLC, My Online Credit Store, LLC, Credit First  
Financial Solution, LLC, and Suncoast Data Services,  
LLC.

Defendants.

Case No. 809-cv-352-T-26-MAP

PLAINTIFF'S AMENDED  
COMPLAINT F'NO 0.2T0c F

Plaintiff, the Federal Trade Commission ("FTC"), for its complaint alleges:

1. The FTC brings this action under Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57(b), and the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. §§ 6101 - 6108, to obtain temporary, preliminary and permanent injunctive relief, rescission or reformation of contracts, restitution, disgorgement of ill-gotten monies, and other equitable relief for defendants' acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and in violation of the FTC's Telemarketing Sales Rule, 16 C.F.R. Part 310.

#### JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a) and 1345, and 15 U.S.C. §§ 45(a), 53(b), 57(b), 6102(c) and 6105(b).

3. Venue is proper in this District under 28 U.S.C. §§ 1391(b) and (c), and 15 U.S.C. § 53(b).

#### PLAINTIFF

4. Plaintiff FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41 - 58. The FTC is charged, inter alia, with enforcement of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair and deceptive acts or practices in or affecting commerce. The FTC is also charged with enforcement of the Telemarketing Act, 15 U.S.C. §§ 6101 - 6108. Pursuant to the Telemarketing Act, the FTC promulgated and enforces the Telemarketing Sales Rule, 16 C.F.R. Part 310, which prohibits deceptive and abusive telemarketing acts or practices. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and the Telemarketing Sales Rule, and to seek such equitable relief as may be appropriate in each case, including



with its principal place of business at 2300 Tall Pines Drive #126, Largo, FL 33771. Tall Pines transacts or has transacted business in this District.

11. Defendant Suncoast Data Services, LLC ("Suncoast") is a Florida corporation with its principal place of business at 2300 Tall Pines Drive #126, Largo, FL 33771. Suncoast transacts or has transacted business in this District. (Group One US Gold Line, My Online Credit Store, CFS, GOA, Tall Pines, and Suncoast are hereinafter referred to as "the Group One Corporate Defendants.")

12. Defendant James Nicholson ("Nicholson") is the president and owner of Group One Networks, Inc., and a manager of US Gold Line, My Online Credit Store, CFS, Tall Pines, and Suncoast. Nicholson resides in, and transacts or has transacted business in, this District. At all times material to this complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices of the Group One Corporate Defendants, including the acts and practices set forth in this complaint.

13. Defendant Bett Fisher ("Fisher") is the Chief Executive Officer and vice-president of Group One Networks, the Chief Executive Officer and a manager of US Gold Line and GOA, and a manager of My Online Credit Store, CFS, and Suncoast. Fisher resides in, and transacts or has transacted business in, this District. At all times material to this complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices of the Group One Corporate Defendants, including the acts and practices set forth in this complaint.

#### COMMERC E

14. At all times relevant to this complaint, Defendants have maintained a substantial course of trade or business in the offering for sale and sale of goods or services via the

telephone, in affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

### COMMON ENTERPRISE

15. The Group One Corporate Defendants have operated and functioned as a common business enterprise while engaging in the deceptive and unfair acts and practices alleged in this complaint. Because the Group One Corporate Defendants have operated as a common enterprise, each of them is jointly and severally liable for the deceptive and unfair acts and practices alleged below.

### DEFENDANTS' BUSINESS PRACTICES

16. Defendants are sellers of advance fee credit cards and interest rate reduction/debt negotiation services.

17. Defendants are also telemarketers and initiate outbound telephone calls to consumers throughout the United States to induce the purchase of their goods and services.

#### Credit Line Gold Card and US Gold Line

18. From at least September 2006 to at least December 2007, Defendants telemarketed the Credit Line Gold Card.

19. From at least November 2007 until June 2008, Defendants telemarketed the US Gold Line card.

20. In numerous instances Defendants' telemarketers were purportedly employed by Defendant GCA.

21. Defendants have telemarketed both the Credit Line Gold and US Gold Line L

22. In telemarketing the Credit Line Gold and US Gold Line credit cards, Defendants have aggressively targeted consumers with either bad or little credit.

23. Defendants and their telemarketers have represented to consumers that they were calling because the consumers had recently been turned down for a loan or credit card due to the consumers' poor credit, and that Defendants were in the business of helping consumers improve and rebuild their credit.

24. In the course of promoting their so-called credit cards, Defendants have made a panoply of representations to consumers about Defendants' credit cards, including that:

a. Defendants' credit cards can be used to make purchases in department stores and supermarkets, pay utility bills, or for any other purpose that a general-purpose credit card, such as a MasterCard or Visa, could be used;

b. consumers can receive cash advances against the credit cards' line of credit, and that Defendants' telemarketers need consumers' bank account information so that Defendants can deposit future cash advances against the credit cards' line of credit into consumers' bank accounts; and

c. Defendants report customers' line of credit and regular payments to the major credit bureaus, and in particular to TransUnion, and that Defendants' reporting will improve and rebuild consumers' credit more effectively than regular credit cards.

25. Defendants have told consumers that, to obtain the credit card, consumers must pay \$200 or \$250 in advance by authorizing Defendants to deduct this sum from consumers' bank accounts.

26. Defendants have given consumers a variety of rationales for requiring the \$200 or \$250 advance fee. They have said it is: (1) an application fee; (2) a deposit; or (3) a way by

which Defendants can ascertain the consumers' creditworthiness in lieu of performing a credit check.

27. Defendants have told consumers that the value of the advance fee will be returned to the consumers in the form of four or five \$50 vouchers that consumers can use, just like cash, to pay make their monthly payments to Defendants for items purchased with the credit cards.

28. After consumers have provided Defendants with their bank account information, Defendants usually play a pre-recorded message that is spoken very quickly and is difficult to hear or understand. The pre-recorded message does not include many of Defendants' initial representations, such as that the credit card can be used for any purpose that a b800 0.0000 TD (y)Tj 5.6400

accounts, Defendants have failed to mail the credit card package to consumers.

32. Ultimately, consumers have discovered that Defendants are not providing them with a general-purpose credit card, but instead have sold them an online credit card (also referred to as an "online shopping card") that can only be used on a limited selection of catalog websites.

33. Consumers who have visited Defendants' catalog websites have found that the websites contain a small selection of products, many with brand names that consumers never heard of.

34. Consumers who have attempted to purchase items from the websites find that purchases carry substantial shipping and handling fees.

35. Furthermore, consumers cannot receive cash advances against Defendants' credit cards' line of credit.

36. Additionally, Defendants have failed to disclose material information concerning the



d. the \$50 dollar vouchers Defendants provide consumers in return for the advance fee cannot be combined on any one purchase or used to pay any of Defendants' mandatory down payments or shipping and handling fees;

e. Defendants reserve the right not to report consumers' line of credit to major credit bureaus; and

f. the advance fee is non-refundable.

37. From at least November 2007 until June 2008, during their US Gold line card telemarketing campaign, Defendants called, or caused telemarketers to call, consumers' telephone numbers that are on the National Do Not Call Registry.

38. From at least November 2007 until June 2008, during their US Gold line card telemarketing campaign, Defendants called, or caused telemarketers to call, telephone numbers in various area codes without first paying the annual fee for access to the telephone numbers within such area codes that are included in the National Do Not Call Registry.

39. In numerous instances during the course of its outbound telemarketing operations, Defendants have called consumers who have previously stated that they do not wish to receive calls made by or on behalf of Group One Networks, Credit Line Gold Card, US Gold

direct mail advertising and inbound telemarketing.

42. Defendants' website, [www.gainewaycredit.com](http://www.gainewaycredit.com), displays a picture of a credit card in the upper right hand corner. The website states that Gaineway Credit can "Help rebuild your credit" and "Improve your Credit Score".

43. In or about July 2008, Defendants began operating under other names, including: My Online Credit Store, [MyOnlineCreditStore.com](http://MyOnlineCreditStore.com); [Onlinecr.com](http://Onlinecr.com); Diamond Executive, NewECredit; and [NewECredit.com](http://NewECredit.com).

44. In numerous instances Defendants have debited \$149 and/\$19.95 from consumers' checking accounts by electronic debits and/or remotely created checks (often referred to as demand drafts).

Credit Store membership include a \$25,000 line of credit, and the Defendants will improve consumers' credit by reporting their My Online Credit Store line of credit and payments to TransUnion.

51. Defendants' customer service representatives also tell consumers that Diamond Executive, a supposed third-party, is the company that enrolled the consumer in My Online Credit Store's online shopping club.

52. Many consumers complain to Defendants' customer service representatives that they never knowingly enrolled in an online shopping club, and never gave Diamond Executive, My Online Credit Store, or anyone else authorization to debit their checking account.

53. In response, Defendants' customer service representatives claim they have no information about the enrollment process and only process payments for third parties, such as Diamond Executive.

54. Defendants' customer service representatives tell consumers who request a refund either to: (1) write a letter to Diamond Executive at 10500 Ulterior Road, Suite 726-308, Largo, Florida 33771, requesting a "courtesy refund"; or (2) fax a copy of a police report about the unauthorized debit, along with copies of the consumers' checking account statements showing the unauthorized debit and signature card for the checking account, to Diamond Executive at (727) 535-8710.

55. Defendants often fail to acknowledge receipt of consumers' "courtesy refund" request letters. Moreover, Defendants often refuse to issue refunds and do not reimburse consumers for the overdraft fees caused by Defendants' unauthorized debits.

### The Credit First Financial Solutions Program

56. Beginning in the Fall of 2008, Defendants began marketing an interest-rate reduction/debt negotiation service under the name Credit First Financial Solutions (“Credit First”).

57. Defendants’ Credit First telemarketing script states that Defendants “work with your lender to lower interest rate on your current credit cards so that when you make your payments from now on, more of your money will be applied to your principal.”

58. In numerous instances Defendants’ telemarketers tell consumers that they can help lower the interest rate on any personal debt, including student loans and mortgages. Furthermore, Defendants’ website, LowerMyInterestToday.com, states that Defendants

b. CFFS has not been in business since 1997. Defendants do not have a close working relationship with over 50,000 different lending institutions, apart from the “relationship” derived from debiting consumers’ checking accounts or charging their credit cards.

62. Defendants have told consumers that, to obtain the Credit First interest-rate reduction/debt negotiation service, consumers must pay between \$595 and \$895, in advance, by authorizing Defendants to charge consumers’ credit cards.

63. To enroll consumers in their interest-rate reduction/debt negotiation service, Defendants’ telemarketers require consumers to provide their date of birth, credit card number, the telephone number of the card issuer from the back of the consumers’ credit card, and the last four digits of the consumers’ social security number. Armed with this information, and without the consumers’ knowledge or express authorization, Defendants’ telemarketers immediately call the consumers’ credit card issuers to obtain the available credit balance on the consumers’ credit card, and to ensure that there is sufficient credit remaining to cover Defendants’ fees.

64. To consummate the sale, Defendants’ telemarketers make a “verification recording” which purports to capture the consumers’ agreement to Defendants’ fees and to Defendants’ billings such as fees to the consumer’s credit cards. As part of the verification recording script, Defendants, Guarante[e]s to show you substantial savings in interest rate and finance charges as well as get you out of debt 3-5 times faster, or we will issue you a full refund.”

65. In actuality, Defendants do not provide consumers with a full refund, but, instead, charge them a \$195 “incurred cost” fee if the consumers cancel after 72-hours.

66. Defendants have regularly transferred proceeds from the sale of the advance fee





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

#### COUNT IV

80. In numerous instances, in the course of marketing advance-fee credit cards, Defendants have represented, expressly or by implication, that after payment of an advance fee in an amount of \$200 to \$250, consumers will receive a general-purpose credit card and four or five \$50 vouchers that can be used to pay for items purchased with the credit card.

81. In numerous instances, Defendants have failed to disclose, or to disclose adequately to consumers, that:

a. Defendants assess a \$29.95 "account monitoring" fee at three and six months after activation of the account by electronically debiting a sub amount from consumers' bank accounts;

b. Defendants assess a monthly or weekly fee for participation in a credit monitoring program by electronically debiting the cost from consumers' bank accounts;

c. Defendants will electronically debit consumers' checking accounts for 20% to 80% of the cost of any purchases made with Defendants' credit cards; and

d. vouchers provided by Defendants cannot be used to pay for any of Defendants' mandatory down payments on products, or shipping and handling fees.

82. Defendants' failure to disclose or disclose adequately the material information described in Paragraph 81, in light of the representation described in Paragraph 80, constitutes BT 108 I22 udea





with substantial savings in interest rates and finance charges; and

c. Have been in business since 1997, and have a close working relationship with over 50,000 different lending institutions.

90. In truth and in fact:

a. In numerous instances, Defendants do not provide a savings of \$1,500 to \$20,000 within the first 30 days of a consumer's enrollment;

b. In numerous instances, Defendants will not give consumers a full refund if Credit First fails to provide consumers with substantial savings in interest rates and finance charges; and

c. Defendants have not been in business since 1997, and do not have a close working relationship with over 50,000 different lending institutions.

91. Therefore, Defendants' representations as set forth in Paragraph 89 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).

#### VIOLATIONS OF THE TELEMARKETING SALES RULE

92. Congress directed the FTC to prescribe rules prohibiting abusive and deceptive telemarketing acts or practices pursuant to the Telemarketing Act, 15 U.S.C. §§ 6101 - 6108, in 1994. On August 16, 1995, the FTC adopted the Telemarketing Sales Rule (the "Original TSR"), 16 C.F.R. Part 310, which became effective on December 31, 1995. On January 29, 2003, the FTC amended the Original TSR by issuing a Statement of Basis and Purpose and the final amended Telemarketing Sales Rule (the "TSR"). 68 Fed. Reg 4580, 4669.

93. Defendants are "seller[s]" or "telemarketer[s]" engaged in "telemarketing," as defined by the TSR, 16 C.F.R. § 310.2(z), (bb), and (c).

94. The TSR prohibits sellers and telemarketers from misrepresenting directly or by implication, in the sale of goods or services, any material aspect of the performance, efficacy, nature or central characteristics of goods or services that are the subject of a sale offer. 16 C.F.R. § 310.3(a)(iii).

95. The TSR prohibits sellers and telemarketers from misrepresenting directly or by implication, in the sale of goods or services, any material aspect of the nature or terms of the seller's refund, cancellation, exchange, or repurchase policies. 16 C.F.R. § 310.3(a)(iv).

96. The TSR prohibits any seller or telemarketer from making a false or misleading statement to induce any person to pay for goods or services or to induce a charitable contribution. 16 C.F.R. § 310.3(d).

97. The TSR prohibits sellers and telemarketers from failing to disclose truthfully in a clear and conspicuous manner before a customer pays for goods or services, among other things:

a. The total costs to purchase, receive or use, and the quantity of, any goods or services that are the subject of the sales offer. 16 C.F.R. § 310.3(a)(1)(i);

b. All material restrictions, limitations, or conditions to purchase, receive, or use the goods or services that are the subject of the sales offer. 16 C.F.R. § 310.3(a)(1)(ii); and

c. If the seller has a policy of not making refunds, cancellations, exchanges, or repurchases, a statement informing the customer that this is the seller's policy. 16 C.F.R. § 310.3(a)(iii).

98. It is an abusive telemarketing act or practice and a violation of the TSR for any seller or telemarketer to request or receive payment of any fee or consideration in advance of

obtaining a loan or other extension of credit when the seller or telemarketer has guaranteed or represented a high likelihood of success in obtaining or arranging a loan or other extension of credit for a person. 16 C.F.R. § 310.4(4).

99. The TSR also established a “do-not-call” registry (t

104. Since December 31, 1995, sellers and telemarketers have been prohibited from initiating an outbound telephone call to any person who that person previously has stated that he or she does not wish to receive an outbound telephone call made by or on behalf of the seller whose goods or services are being offered. 16 C.F.R. § 310.4(b)(1)(ii)(A).

105. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102(c), and Section 18(d)(1) of the FTC Act, 15 U.S.C. § 57a(d), a violation of the FR constitutes an unfair or deceptive act or practice in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

#### COUNT VIII (Misrepresentations)

106. In numerous instances, in the course of te



COUNT XII ( Failure to Disclose Total Costs)

114. In numerous instances, in the course of telemarketing advance-fee credit cards, Defendants have failed to disclose truthfully, in a clear and conspicuous manner, before a consumer paid for the goods or services offered, the total cost to purchase, receive or use the goods or services that are the subject of the sale.

COUNT XIV (Failure to Disclose No Refund Policy)

118. In numerous instances, in the course of telemarketing advance-fee credit cards, Defendants have failed to disclose truthfully in a clear and conspicuous manner before a consumer pays for goods or services offered, that Defendants have a policy of not making refunds or cancellations.

119. Defendants' practices alleged in Paragraph 118 is a deceptive telemarketing act or practice that violates Section 310.3(d)(iii) of the TSR, 16 C.F.R. § 310.3(d)(iii).

COUNT XV (Advance Fee)

120. In numerous instances, in connection with the telemarketing of advance-fee credit cards, Defendants have requested or received payment of a fee or consideration in advance of consumers' obtaining a credit card when Defendants have guaranteed or represented a high likelihood of success in obtaining or arranging the acquisition of a credit card for such consumers.

121. Defendants' practices alleged in Paragraph 120 is an abusive telemarketing act or practice that violates Section 310.4(a) of the TSR, 16 C.F.R. § 310.4(a)(

COUNT XVI (Failing to Pay National Registry Fees)

122. In numerous instances, from at least November 2007 until June 2008, in connection with the telemarketing of advance-fee credit cards, Defendants initiated, or caused others to initiate, an outbound telephone call to a telephone number within a given area code without Defendants, either directly or through another person, first paying the required annual fee for access to the telephone number within that area code that are included in the National Do Not Call Registry.

123. Defendants' practices alleged in Paragraph 122 is an abusive telemarketing act





injunctive and such other relief as the Court may deem appropriate to halt and redress violations of the FTC Act. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission of contracts and restitution, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

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

#### PRAYER FOR RELIEF

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

A. 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, an order freezing assets, the appointment of a receiver, and immediate access to Defendants' business premises.

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

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act and the TSR, including, but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the

disgorgement of ill-gotten monies; and

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

Respectfully submitted,

DAVID C. SHONKA  
Acting General Counsel

Dated: April 14, 2009

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