

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

_____)
FEDERAL TRADE COMMISSION,))

DATA BUSINESS SOLUTIONS INC., also d/b/a) Judge Robert M. Dow Jr.
INTERNET LISTING SERVICE CORP.,)
ILS CORP., ILSCORP.NET, DOMAIN LISTING) Magistrate Judge Morton Denlow
SERVICE CORP., DLS CORP., and)
DLSCORP.NET;)
)
1646153 ONTARIO INC., also d/b/a)
INTERNET LISTING SERVICE CORP.,)
ILS CORP., ILSCORP.NET, DOMAIN LISTING)
SERVICE CORP., DLS CORP., and)
DLSCORP.NET;)
)
ARI BALABANIAN;)
)
ISAAC BENLOLO;)
)
KIRK MULVENEY;)
)
STEVEN E. DALE; and)
)
PEARL KESLASSY,)
)
Defendants.)
_____)

AMENDED COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF

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

The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to secure temporary, preliminary, and permanent injunctive

relief, restitution, rescission of contracts, disgorgement, and other equitable relief for defendants' deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

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. Venue in the United States District Court for the Northern District of Illinois is proper under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b), (c), and (d).

PLAINTIFF

3. Plaintiff, the FTC, is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58, as amended. The Commission is charged, *in rem*, with enforcement of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The Commission is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act, and to secure such equitable relief as may be appropriate in each case, including restitution for injured consumers. 15 U.S.C. § 53(b).

DEFENDANTS

4. Defendant Data Business Solutions Inc., also d/b/a Internet Listing Service Corp., ILS Corp., ILSCORP.NET, Domain Listing Service Corp., DLS Corp., and DLSCORP.NET (hereinafter "Data Business Solutions") is an Ontario corporation with its principal place of business located at 6315 Shawson Drive, Unit #4, Mississauga, Ontario L5T 1J2. It also maintains a mail drop at 27 N. Wacker Dr., Suite #650, Chicago, Illinois 60606, from which it receives payments sent by consumers in the United States. Data Business Solutions transacts or has transacted business in the Northern District of Illinois and throughout the United States.

5. Defendant 1646153 Ontario Inc., also d/b/a Internet Listing Service Corp., ILS Corp., LSCORPNET, Domain listing Service Corp., DLS Corp., and DSCORPNET (hereinafter "Internet Listing Service") is an Ontario corporation with its principal place of business located at 115 Apple Creek Blvd., Suite #3, Markham, Ontario L3R 6C9. Internet Listing Service transacts or has transacted business in the Northern District of Illinois and throughout the United States.

6. 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.

7. Defendant Saad Benlolo is a principal of Internet Listing Service. 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 Internet Listing Service, including the acts and practices set forth in this complaint. Saad Benlolo transacts or has transacted business in the Northern District of Illinois and throughout the United States.

8. Defendant Kirk Mulveney is a principal of Internet Listing Service. 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 Internet Listing Service, including the acts and practices set forth in this complaint. Kirk Mulveney transacts or has transacted business in the Northern District of Illinois and throughout the United States.

9. Defendant Steven Dale is an officer and director of Internet Listing Service. 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 Internet Listing Service including the acts and practices set forth in this complaint. Steven E. Debra transacts or has transacted business in the Northern District of Illinois and throughout the United States.

10. Defendant Pearl Keslassy is an officer and director of Internet Listing Service. At all times relevant to this complaint, acting alone or in concert with others, she has formulated, directed, controlled, or participated in the acts and practices of Internet Listing Service including the acts and practices set forth in this complaint. Pearl Keslassy transacts or has transacted business in the Northern District of Illinois and throughout the United States.

COMMERCE

11. At all times relevant to this complaint, defendants have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFINITIONS

12.

DEFENDANTS' COURSE OF CONDUCT

14. Since at lea

§ 3005. Most consumers who receive defendants' mailings and make pa

domain names are registered with Wild West Domains, Inc. ("Wild West"). These registrations, however, are not actual domain name registrations on behalf of consumers because defendants, as the registrant, holds the rights to those domain names. Defendants fail to provide consumers with any licensing agreement extending those rights to consumers, only information or communications explaining anything about the registrations. Furthermore, defendants fail to comply with the requirements of Wild West's Domain Name Registration Agreement relating to the purchase of domain names on behalf of third parties.

21. Defendants' "search optimization" services are also ineffective. Defendants' supposed method for providing "search optimization" services, as described, have little or no effect in increasing traffic, or directing traffic, to consumers' Internet Web sites. Moreover, in many cases, defendants have not provided consumers with the initial and quarterly "search engine position and ranking reports" that some of the mailings claimed defendants would provide.

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

23. Thousands of consumers who have been deceived by defendants' mailings have paid defendants fees 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

24. 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

25. 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.

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

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).

COUNT II

28. 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 owe money to defendants for the continued registration of the consumers' current domain names.

29. 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.

30. Therefore, defendants' representation as set forth in Paragraph 28 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).

COUNT III

31. 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 defendants will provide continued registration services for consumers' current domain names.

32. In truth and in fact in numerous instances, defendants do not provide continued registration services for consumers' current domain names.

33. Therefore, defendants' representation as set forth in Paragraph 31 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).

COUNT IV

34. I

injunctive relief by this Court, defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT’S POWER TO GRANT RELIEF

38. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to issue a permanent injunction against defendants’ violations of the FTC Act, and, in the exercise of its equitable jurisdiction, to order such ancillary relief as a preliminary injunction, rescission, restitution, disgorgement of profits resulting from defendants’ unlawful acts or practices, and other remedial measures.

PRAYER FOR RELIEF

WHEREFORE, plaintiff, the Federal Trade Commission, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), prays that the Court grant the relief requested in the prayer for relief.

4. 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

Dated: August 11, 2008

Respectfully Submitted,

WILLIAM BLUMENTHAL
General Counsel

~~s/ Karen D. Dodge~~ _____
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CERTIFICATE OF SERVICE

I, Karen D. Dodge, an attorney, hereby certify that on August 11, 2008, I electronically