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11 Attorneys for Plaintiff
12 Federal Trade Commission

13 IN THE UNITED STATES DISTRICT COURT
14 FOR THE DISTRICT OF ARIZONA

15 Federal Trade Commission)

16 Plaintiff,)

17 vs.)

18 American Business Builders, LLC, an)
19 Arizona Limited Liability Company; ENF,)
20 LLC, an Arizona Limited Liability)
21 Company also d/b/a Network Market)
22 Solutions; UMS Group, LLC, an Arizona)
23 Limited Liability Company; United)
24 Merchant Services, LLC, an Arizona)
25 Limited Liability Company; Universal)
26 Marketing and Training, LLC, an Arizona)
27 Limited Liability Company; Unlimited)
28 Training Services, LLC, an Arizona)
Shane Michael Hanna a/k/a Shane Michael)
Romeo, an individual; and Stephen Spratt,)
an individual,)

Defendants.)) erizona

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1 9. Defendant United Merchant Services, LLC (“UMS”) is an Arizona limited
2 liability company that has maintained its principal place of business at 4734 W. Glendale
3 Avenue, Glendale, AZ 85301. UMS transacts or has transacted business in the District of
4 Arizona, including through its principal place of business and a private mail box located
5 at 4397 W. Bethany Home Road, Suite 1326, Glendale, AZ 85301. At times material to
6 this Complaint, acting alone or in concert with others, UMS advertised, marketed,
7 distributed, or sold a business opportunity to consumers throughout the United States.

8 10. Defendant Universal Marketing and Training, LLC (“UM&T”) is an
9 Arizona limited liability company with its principal place of business in the District of
10 Arizona. UM&T transacts or has transacted business in the District of Arizona, including
11 through private mail boxes located at 4397 W. Bethany Home Road, Suites 1210 and
12 1327, Glendale, AZ 85301. At times material to this Complaint, acting alone or in
13 concert with others, UM&T has advertised, marketed, distributed, or sold a business
14 opportunity to consumers throughout the United States.

15 11. Defendant Unlimited Training Services, LLC (“UTS”) is an Arizona
16 limited liability company that has maintained its principal place of business in the District
17 of Arizona. UTS transacts or has transacted business in the District of Arizona. At times
18 material to this Complaint, acting alone or in concert with others, UTS has advertised,
19 marketed, distributed, or sold a business opportunity to consumers throughout the United
20 States.

21 12. Defendant Shane Michael Hanna (also known as Shane Michael Romeo) is
22 the sole member of Defendants ABB and UMS Group, and is a member of Defendant
23 UTS. Defendant Hanna was also a member of UMS. Defendant Hanna has leased
24 commercial office space for UMS at 4734 W. Glendale Avenue, Glendale, AZ 85301,
25 has registered and is financially responsible for the Internet domain names associated
26 with Defendants ABB, ENF, UMS and UM&T, and is financially responsible for
27 telephone services used by ABB and ENF. At all times material to this Complaint, acting
28 alone or in concert with others, Defendant Hanna has formulated, directed, controlled,

1 had the authority to control, or participated in the acts and practices of Defendants ABB,

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participated in the acts and practices of the Corporate Defendants that constitute the common enterprise.

COMMERCE

15. At all times material to this complaint, the Defendants have maintained a substantial course of trade in the offering for sale and sale of business opportunities, in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

THE DEFENDANTS’ BUSINESS PRACTICES

The Business Opportunity

16. Defendants have carried out an illegal business opportunity scam which has defrauded consumers out of hundreds of thousands of dollars.

17. In telemarketing calls to consumers, Defendants represent that that they

1 specific geographic territory and which enroll with Defendants or use Defendants'
2 services will be the customers or accounts of the consumer.

3 20. Defendants also represent that consumers will receive support from
4 Defendants in operating their new business. In numerous instances, Defendants represent
5 that such support will include training or coaching, the provision of printed marketing
6 materials such as flyers or brochures, business cards, business licenses, or the creation of
7 a website where consumers can review the status of pending accounts or customers.
8 Defendants have also represented that they will provide consumers with sales lead lists.

9 21. Typically within several days of Defendants' initial call to consumers,
10 Defendants market and sell to consumers telemarketing sales leads (consisting of the
11 names and telephone numbers of merchants that may be interested in purchasing
12 Defendants' payment processing services) and a telemarketing campaign in which
13 Defendants will call the merchants (the "leads") to promote consumers' new business.
14 Defendants represent to consumers that Defendants will contact and market Defendants'
15 services to each of these leads and that this telemarketing campaign will generate new
16 customers or accounts for the consumer. Defendants typically charge consumers \$10 for
17 each lead. The total charge to the consumer is often greater than \$10,000, and, for some
18 consumers, has been as high as \$40,000.

19 22. Defendants represent that consumers will earn income on each merchant
20 that Defendants convert into a customer or account. Defendants represent that consumers
21 will make a commission (*e.g.*, \$500) on each payment processing terminal that
22 Defendants sell or lease, a percentage of each merchant cash advance that is funded, and
23 a percentage of each merchant's monthly sales volume for as long as the merchant
24 remains a customer or account. In some in

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1 23. Defendants also make representations, either expressly or by implication,
2 about the earnings potential of the business opportunity. Some of the representations
3 Defendants make include the following:

- 4 - Consumers will begin to earn income within weeks;
- 5 - Consumers will earn thousands of dollars in income per month;
- 6 - Consumers will earn back the cost of their initial investment within weeks;
- 7 - Consumers will earn back the cost of the sales leads they purchase from
8 Defendants within months; and
- 9 - Defendants will convert a certain number or percentage of sales leads into
10 customers or accounts.

11 24. Defendants also make additional representations that make consumers
12 believe that these earnings are likely. For example, Defendants have represented that
13 Defendants are part of a multi-billion dollar merchant service industry, Defendants offer
14 the lowest payment processing rates in the industry, and there is a lucrative market for
15 merchant cash advances because conditions in the commercial credit market have
16 prevented many small businesses from obtaining loans. Defendants have also
17 represented that the sales leads Defendants supply have already applied for merchant cash

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