

UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS:      **Edith Ramirez, Chairwoman  
Julie Brill  
Maureen K. Ohlhausen  
Joshua D. Wright  
Terrell McSweeney**

**In the Matter of**

**Jacob J. Alifraghis,  
an individual,  
also d/b/a InstantUPCCodes.com.**

**DOCKET NO. C-4483**

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**COMPLAINT**

## **PRELIMINARY ALLEGATIONS**

2. Respondent Jacob J. Alifraghis is an individual living in Florida and doing business in Florida as InstantUPCCodes.com, with a mailing address of 2803 Gulf To Bay Blvd, #165, Clearwater, FL, 33759. Mr. Alifraghis' written communications to his competitors, as set forth below, were by email or through websites that permit individuals to transmit written messages.
3. The primary business of Instant is selling barcodes over the internet.
4. Nationwide is managed





I am not going to change my quantity breakdowns, but will meet those prices (I might stay higher in a few areas where it makes sense to me) but for all intent and purpose, the prices will be the same or higher. I will base these on [Competitor B's] prices as you suggest.

\* \* \*

I will be ready to make this switch on Sunday Midnight and will look to you to lead the charge.

I also look forward to increasing our revenues.

12. Competitor A did not respond to the email from Mr. Alifraghis (*see*

I personally think that [Competitor B's] prices are TOO low, but he is the highest priced out of all of us and it[']s for a good reason, not only does he want higher

longevity of the business, I can easily put up 3-6 more sites and push everyone lower.

\* \* \*

I respect everyone in this business and industry even though you are my competitors.

Mr. Peretz forwarded this August 9 message from Instant to Competitor A.

15. On August 11, Mr. Peretz emailed Mr. Alifras>>BDC 1T015

This is a dialog [. . .] a dialog is a very good thing and it seems, regardless of how I feel about each of you and how you feel about each other or me, this is an opportunity to increase profitability. All it takes is conversation and a leap of faith.

This is the opportunity that we have all wanted [. . .] to be able to increase our prices and to make some money.

I am higher than you fellows...the sign of good intent would be to meet my prices, then [. . .] over the next several months, increase our prices to where they should be. As we each observe where the other is at, we adjust our prices accordingly.

This is, however, a slippery slope, and could be misconstrued as collusion, which is illegal.

It is not illegal, however, for one of us to raise our prices and then have others follow.

Our discussion has NOT been price fixing, merely a courtesy that we will meet each other's prices [. . .] even if we have to raise them to do this.

18. When Mr. Peretz did not hear back from his competitors, he threatened to lower his prices to punish his rivals for not entering into a price-fixing conspiracy. Mr. Peretz's August 19 email to Instant and Competitor A stated:

Gentlemen,  
Have we given up on this conversation?

This is the busiest time of year... and I am considering meeting and/or beating your prices. Would like to see what your thoughts are before I screw up our industry even more.

19. Mr. Alifraghis replied to Nationwide later that evening renewing his plea for Nationwide to obtain Competitor A's cooperation in the plan to raise prices. Mr. Alifraghis also threatened to lower prices to punish its rivals if they did not agree to set higher prices:

Nationwide, This is the problem



You going lower than me will do nothing for you, because I'll be right there or if [Competitor A] goes lower I'll still be right there matching both of you. You're still going to have the same problems.

\* \* \*

I'll change my prices and put everyone out of business tomorrow. I'll put the prices so low, there will be no profits PERIOD.

\* \* \*

I messaged you both to bring the prices up, not go down. [Competitor A] is your problem[. . .] [G]et him to agree to matching [Competitor B's] prices and I'll change mine before everyone [. . .] like I said.

\* \* \*

If you both don't wanna raise your prices [. . .] just keep going lower and lower and lower. I don't mind, go either direction you decide I'll be right there matching the prices. . . . I'll surprise the both of you with the lowest prices you've ever seen. You are pushing me to put everyone out of business.

20. Mr. Peretz and Mr. Alifraghis continued to exchange communications about price levels into January 2014. On October 21, 2013, Mr. Alifraghis contacted Nationwide and complained that its prices were too low. Mr. Peretz responded by claiming that Instant was priced lower than Nationwide. On January 6, Mr. Alifraghis contacted Nationwide and complained that Competitor A and Competitor B had lowered their prices. Nationwide responded by stating that, "If you want to be colleagues, certainly we can," but that Mr. Alifraghis had shown a lack of respect for Nationwide's business.
21. The FTC served a subpoena on Nationwide in January 2014. In January 2014, Mr. Alifraghis became aware that the FTC was trying to serve him a subpoena as well.

#### **VIOLATION CHARGED**

22. As set forth in Paragraphs 8 through 21 above, Respondent invited his competitors to collude with Instant to raise prices for barcodes in violation of Section 5 of the Federal Trade Commission Act, as amended.

23. The acts, policies and practices of Respondent, as alleged herein, constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act, as amended. Such acts, polic