

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

ZAAPPAAZ LLC, also d/b/a Wrist-Band.com,
WBpromotion.com, CustomLanyard.net, and WB
Promotions; and

AZIM MAKANOJIYA, individually and as an
officer of ZAAPPAAZ LLC,

Defendants.

Civil Matter No. _____

COMPLAINT FOR PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF

Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), 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 57b; and the Mail, Internet, or Telephone Order Merchandise Rule (“MITOR”), 16 C.F.R. Part 435, to obtain temporary, preliminary, and permanent injunctive relief, restitution, rescission or reformation of contracts, the refund of money or return of property, the payment of damages, 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 MITOR, 16 C.F.R. Part 435.

JURISDICTION AND VENUE

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

3. Venue is proper in this District under 28 U.S.C. § 1391(b)(1), (c)(1), (c)(2) and (d), and 15 U.S.C. § 53(b).

PLAINTIFF

4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 458. The FTC enforces 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 FTC also enforces MITOR, 16 C.F.R. Part 435, which requires internet, or phone based sellers to have a reasonable basis for advertised shipping times, and, when sellers cannot meet promised shipping times or ship within 30 days, to provide buyers with the option to consent to a delay in shipping or to cancel their orders and receive a prompt refund.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and MITOR, and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b), 576; C.F.R. Part 435.

DEFENDANTS

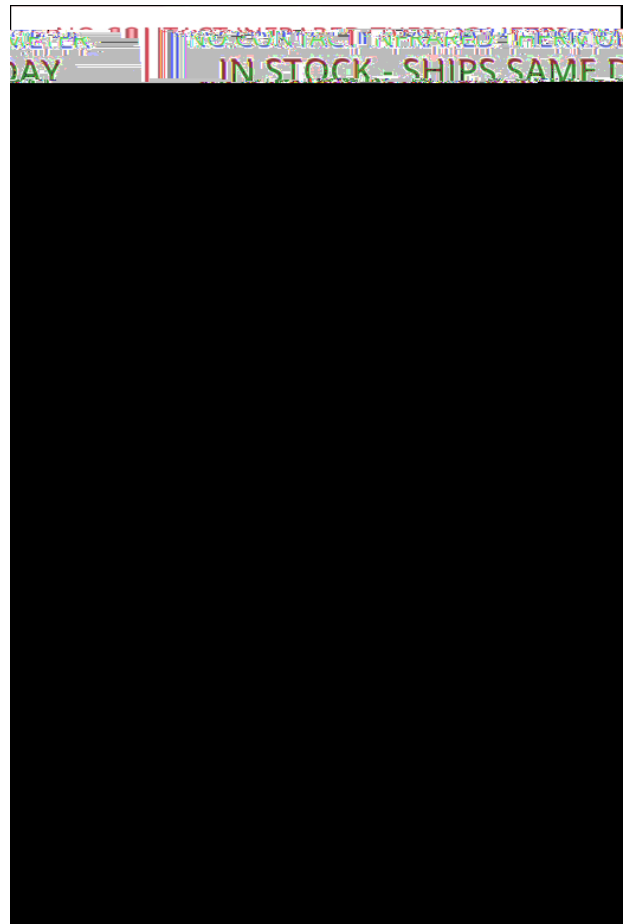
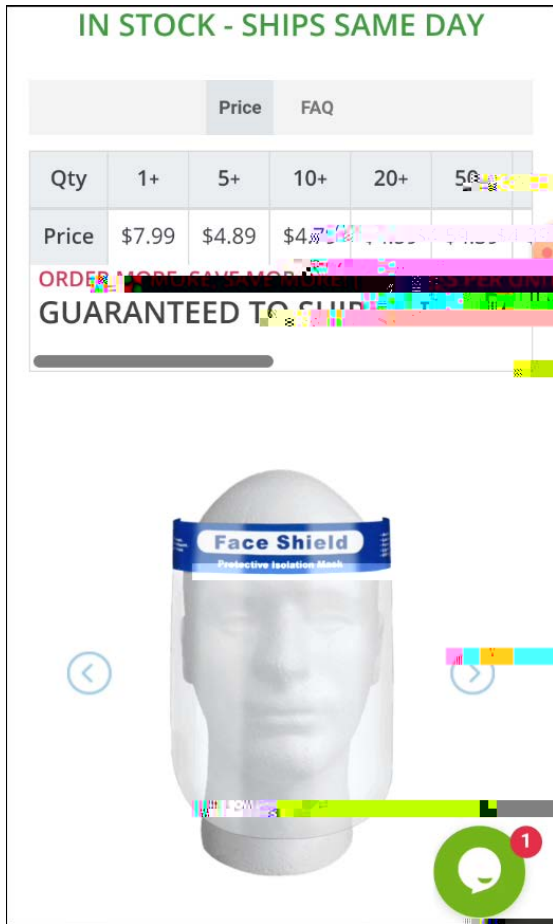
6. Defendant Zaappaaz LLC (Zaappaaz"), also doing business as ~~Wb~~Wb.com, WBpromdion.com, CustomLanyard.net

15. Zaappaaz clearly and conspicuously displays shipping, delivery, and in-stock guarantees across multiple product pages.

16. For example, Zaappaaz tells consumers that its 1 Gallon Liquid Sanitizer is "IN STOCK," "GUARANTEED TO SHIP TODAY," and offers the option to select the desired guaranteed delivery date.

Ex. A (June 1, 2020, wrist-band.com website).

17.

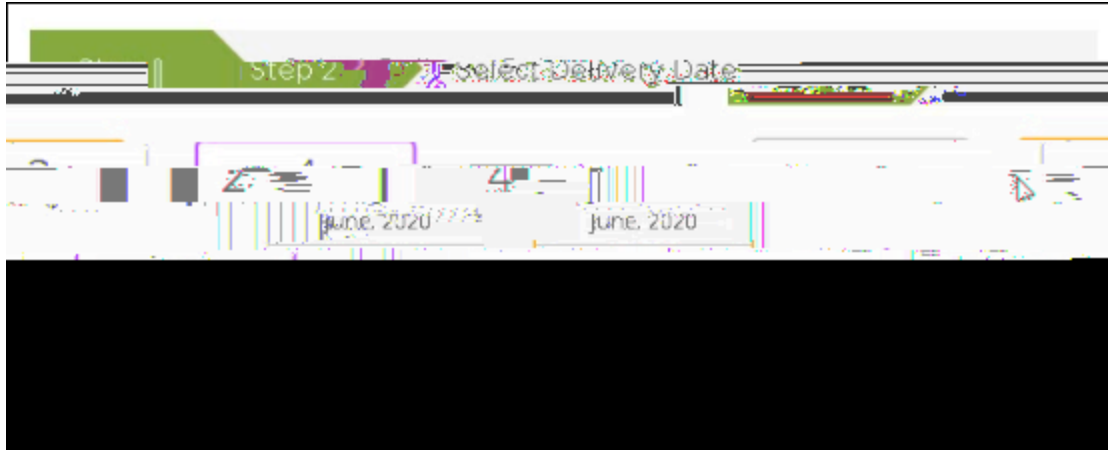


Exs. B & C (June 1, 2020, wristband.com website).

18. Zaappaaz tells consumers its facemasks are “GUARANTEED TO SHIP TODAY” and it has “20,000+ in Stock.” Zaappaaz offers more than one option for delivery date, with different shipping prices depending on the shipping speed. For example, this \$2.99 face mask (when buying at least 10 masks) has a shipping charge of \$5.34 per mask for the merchandise to arrive the next day.

Ex. D (June 1, 2020, wrist-band.com website).

19. After selecting a desired delivery date, that date is described as “Guaranteed.”



Ex. E (June 1, 2020, wrist-band.com website).

20. Similarly, Zaappaaz tells consumers that its vinyl disposable gloves “GUARANTEED TO SHIP TODAY” and it has “20,000+ in Stock.” They guarantee next day delivery for \$14.48 per piece, for a product that costs \$14.99 for one box.



Ex. F (June 1, 2020, wrist-band.com website).

21. In numerous instances, Zaappaaz failed to purchase goods the

26. Zaappaaz received dozens of complaints regarding its shipping delays and failures via emails, phone calls, and chat messages through its websites. Zaappaaz responded to some of these messages, continuing to tell consumers that their orders would ship soon, and refunds were not available on PPE products.

27. Meanwhile, Zaappaaz continued to advertise PPE products as in stock and available to ship same day, when it knew the products would not ship in the promised time.

28. Wrist-Band.com desktop webpages, including pages explaining the refund policy and advertising PPE products, announce a 100% money back guarantee in a banner at the bottom of webpages.

Ex. G (May 29, 2020, wristband.com website).

29. The mobile website promises “Satisfaction Guaranteed” to consumers in their shopping carts when they start the checkout process.

Ex. H (June 1, 2020, wrist-band.com mobile website).

30. As of at least June 1, 2020, Wrist-Band.com has stated on its desktop web/P <</MCID 13 >

Zaappaaz's Defective, Inferior, or Incorrect Products

38.

44. At all times material to

54. Pursuant to Section 18 of the FTC Act, 15 U.S.C. § 57a(d)(3), and 16 C.F.R. § 435.2, a violation of MITOR 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 I – MITOR Violations

55. In numerous instances when Defendants:

- a) represent they will ship purchased goods the same day, they do not have a reasonable basis to expect to ship the goods the same business day;
- b) fail to ship orders within the timeframe required by MITOR, they also fail to offer consumers the opportunity to consent to a delay in shipping or to cancel their order and receive a prompt refund;
- c) fail to ship orders within the timeframe required by MITOR and fail to offer consumers the opportunity to consent to a delay in shipping or to cancel their order, they do not cancel those orders or provide consumers a prompt refund;
- d) receive cancellation and refund requests from consumers pursuant to any option under MITOR, they do not deem those orders cancelled or provide a prompt refund.

56. Defendants' practices as alleged in Paragraph 55 violate MITOR, 16 C.F.R. § 435.2(a), (b), and (c), and therefore are unfair or deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE FTC ACT

57. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or deceptive acts or practices in or affecting commerce."

58. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

Count II – Section 5 Violations

59. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of goods, specifically PPE and related products, Defendants have

61. Therefore, Defendants' representations set forth in Paragraph 5 are false,

WashingtonDC 20580
(202)326-3515;mschaefer@ftc.gov
(202)326-2485;acollesano@ftc.gov