

consumer's name onto disks and then to distribute these disks through the mails. Respondent also urges the consumer to make the software available at a web site that the respondent creates and hosts for the consumer, and that is almost identical to the respondent's own web site. Moreover, respondent encourages the consumer to send unsolicited electronic mail to other persons, referring these persons to the consumer's Mega\$Nets web site.

7. MegaResource operates similarly to Mega\$Nets. Consumers can download a copy of the MegaResource software from one of the respondent's web sites. When a consumer sends twenty dollars to each of six persons on the list contained in the MegaResource software, the consumer receives "access codes" which "unlock" information contained in the software. The software purportedly contains information relating to marketing, such as lists of newspapers in which to advertise. Once all the information in the software is "unlocked," a consumer can place his or her name on the list contained in the MegaResource software and duplicate the software for distribution.

8. Respondent leases computer server space from a third party and "hosts" the Mega\$Nets and MegaResource web sites he creates for others on this server space -- *i.e.*, the computer files for the web sites are physically located on the computer hard drive of the third party from whom the respondent leases the space.

9. Respondent also composed and sent or caused to be sent hundreds of thousands of unsolicited electronic mail messages via the Internet to consumers directing them to web sites promoting the Mega\$Nets and MegaResource programs. These web sites promoting Mega\$Nets and MegaResource contained the statements alleged in Paragraph 10, below.

10. Respondent has disseminated or has caused to be disseminated advertisements for the Mega\$Nets and MegaResource programs, including, but not necessarily limited to, the attached Exhibits A-C. The respondent's web sites contain the following representations:

A. "Mega\$Nets is an easy to use yet sophisticated software program to help the average person get in on the fabulous profits being made in the computer networking age. . . . The potential for you to receive a tremendous income within a remarkably short period of time is to [sic] good to refuse!" (Exhibit A).

B. "The potential earnings so far could total \$15,000!" (Exhibit B)

C.

"The Multiplier Effect

HERE IT BECOMES AWESOME! Your next payment in the 4th position could be \$20 times 3125 which is \$62,500. Add that to your previous \$15,000, and the grand total is \$77,500. When the fifth and final position is reached, your name disappears from future duplicated disks. By then your TOTAL INCOME COULD BE \$312,500!!" (Exhibit B)

D. "We know people who are making money with MegaResource. Imagine what you can do wirth [sic] an extra \$20 or \$200 or \$2,000 per month -- everyone can use extra money!!" (Exhibit C)

11. Respondent has also created, designed, and disseminated World Wide Web sites for

others to promote Mega\$Nets and MegaResource. These sites contain the Mega\$Nets and MegaResource software programs. A Mega\$Nets web site designed by the respondent states:

FREE!! FREE!! FREE!! Get a **FREE** webpage just like this one. Just be one of the first 25 people to take advantage of our **MEGA\$NETS** program. We will personalize a site for you.... for **FREE!!**

(Exhibit A)

A MegaResource web site designed by the respondent states:

AC-28(Meankeed)-7(-()563!!)-42(FREE!!ALSwe]T\$NeANDby theUNSUBSTANTIATEDby47leEARNINGSTd [

Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this day of , , has issued this complaint against respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL: