

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

_____		)	
FEDERAL TRADE COMMISSION,	)		
	)		
Plaintiff,	)		
	)		
v.	)	Civil Action No. 04C 7204	
	)	Judge Gottschall	
120194 CANADA, LTD., <i>et al.</i> ,	)	Magistrate Mason	
	)		
Defendants.	)		
_____		)	

**ORDER FOR PERMANENT INJUNCTION AND FINAL JUDGMENT AGAINST  
DEFENDANTS PAUL PRICE AND ELISSA R. PRICE, AND FINAL DEFAULT  
JUDGMENT AGAINST CORPORATE DEFENDANTS 120194 CANADA, LTD.; PRIME  
ONE FINANCIAL GROUP, INC.; MARKETING DIRECTIVES, INC.; 1284383  
ONTARIO INC.; AND 1309529 ONTARIO INC.**

Plaintiff, the Federal Trade Commission (“FTC” or “the Commission”), commenced this action by filing its Complaint, followed by an Amended Complaint, for injunctive and other equitable relief (hereinafter “Amended Complaint”) pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101, *et seq.*, charging that the Defendants engaged in deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC’s Trade Regulation Rule entitled “Telemarketing Sales Rule,” 16 C.F.R. Part 310.

The FTC, having filed its motion for summary judgment against Defendants Paul Price and Elissa R. Price, also known as Lisa Price and Lisa Wells (“Elissa Price”), on all counts of the FTC’s Amended Complaint and its motion for entry of a default judgment against Defendants

120194 Canada, Ltd., d/b/a Veritech Communications, Veritech Communication Services, Veritech, Prime One Benefits, Prime One Financial, Prime One, First National Credit Service, and U.S. National Credit (“120194 Canada, Ltd.”); Prime One Financial Group, Inc., d/b/a Prime One Benefits, Prime One Financial, Prime Onc, First National Credit Service, and U.S. National Credit; Marketing Directives, Inc., d/b/a Ameriline and Ameriline Corp. (“Prime One Financial Group, Inc.”); 1284383 Ontario Inc., d/b/a First National Credit Service and Direct Service Management (“1284383 Ontario Inc.”); and 1309529 Ontario Inc., d/b/a U.S. National Credit (“1309529 Ontario Inc.”) (collectively “Corporate Defendants”), and this Court having considered the submissions of the parties, and having granted the FTC’s motions on February 12, 2007, it is therefore **ORDERED, ADJUDGED, AND DECREED** as follows:

#### **FINDINGS**

1. This is an action by the Commission instituted under Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, the Telemarketing Act, 15 U.S.C. §§ 6101, *et seq.*, and the FTC’s Telemarketing Sales Rule, 16 C.F.R. Part 310. Pursuant to these statutes and regulations, the Commission has the authority to seek the relief contained herein.
2. The Commission’s Amended Complaint states a claim upon which relief may be granted under Sections 5, 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45, 53(b) and 57b, the Telemarketing Act, 15 U.S.C. §§ 6101, *et seq.*, and the FTC’s Telemarketing Sales Rule, 16 C.F.R. Part 310.
3. This Court has jurisdiction over the subject matter of this case and all parties hereto.

4. 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).

5. The activities of the Defendants are in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

6. This Court entered default against Corporate Defendants 120194 Canada, Ltd. and Prime One Financial Group, Inc., on September 22, 2005, and against Corporate Defendants Marketing Directives, Inc., 1309529 Ontario Inc., and 1284383 Ontario Inc., on December 1, 2005, for failing to file proper answers.

7. The Corporate Defendants have failed to file any response to the FTC’s motion for entry of default judgment despite proper notice.

8. Defendants Paul Price and Elissa Price failed to file any response to the FTC’s motion for summary judgment despite proper notice, and therefore the FTC’s Rule 56.1 Statement of Material Facts is deemed admitted.

9. The FTC has also submitted substantial evidence to support the charges against the Defendants detailed in the Amended Complaint.

10. There is no genuine issue as to any material fact concerning the liability of Defendants Paul Price and Elissa Price for the false and deceptive acts and practices charged in the Amended Complaint, or the amount of consumer losses caused by the Defendants’ deceptive acts and practices.

11. Defendants, directly or through their telemarketers, have made false or misleading statements in connection with the telemarketing of advance fee credit cards, that include, but are not limited to, the following:

- a. that after paying Defendants a fee, consumers will, or are highly likely to, receive an unsecured major credit card, such as a MasterCard or Visa credit card; and
- b. that Defendants can guarantee or have a high likelihood of success in obtaining or arranging for the acquisition of an unsecured credit card, such as a MasterCard or Visa credit card, for consumers.

12. Defendants or their employees or agents have requested and received payment of a fee in advance of consumers obtaining a credit card when Defendants have guaranteed or represented a high likelihood of success in obtaining or arranging for the acquisition of an unsecured credit card, such as a MasterCard or Visa credit card, for such consumers.

13. Collectively, the Corporate Defendants operated a common enterprise while engaging in the false and deceptive acts and practices that are the basis of the Amended Complaint, and therefore are jointly and severally liable for said acts and practices.

14. Defendants Paul Price and Elissa Price have participated in, and had control over, the deceptive acts and practices of the Corporate Defendants, including the acts and practices that are the basis of the Amended Complaint.

15. Defendants Paul Price and Elissa Price were aware of the deceptive acts and practices of the Corporate Defendants, including the acts and practices that are the basis of the Amended Complaint.

16. Defendants Paul Price and Elissa Price are liable for the acts and practices of the Corporate Defendants.

17. Defendant Paul Price, Defendant Elissa Price, and the Corporate Defendants are jointly and severally liable for the false and deceptive acts and practices charged in the Amended Complaint.

18. Uncontroverted and uncontested evidence establishes that the Defendants violated Section 5 of the FTC Act, 15 U.S.C. § 45, and the Telemarketing Sales Rule, 16 C.F.R. Part 310.

19. Defendants are likely to continue to engage in the activities charged in the Amended Complaint unless they are permanently enjoined from such acts and practices.

20. Plaintiff is entitled to judgment, pursuant to Rule 56 of the Federal Rules of Civil Procedure, against Defendants Paul Price and Elissa Price, and default judgment, pursuant to Rule 55(b)(2) of the Federal Rules of Civil Procedure, against the Corporate Defendants.

21. Defendants' total net sales amounted to at least \$8,104,773.94 (USD) from the conduct detailed in the Commission's Amended Complaint.

22. On August 1, 2006, this Court entered the Stipulated Order for Permanent Injunction and Final Judgment Against Defendants Mishele Wells and Simax Corp. ("Stipulated Final Judgment").

23. Defendants Mishele Wells and Simax Corp. have paid \$15,000.00 (USD) pursuant to the Stipulated Final Judgment, and therefore, the equitable monetary relief against the remaining Defendants shall be reduced by this amount.

24. Plaintiff is therefore entitled to equitable monetary relief against the Defendants in the amount of \$8,089,773.94 (USD), for which Defendant Paul Price, Defendant Elissa Price, and the Corporate Defendants are jointly and severally liable.

25. This Order is in addition to and not in lieu of any other civil or criminal remedies that may be provided by law.

26. Entry of this Order is in the public interest.

### **DEFINITIONS**

For purposes of this Order, the following definitions shall apply:

1. "Plaintiff," "Commission," or "FTC" means the Federal Trade Commission.
2. "Defendants" mean the Individual Defendants and the Corporate Defendants. The "Individual Defendants" are Paul Price, also known as Marshall Paul Price ("Paul Price"), and Elissa Price, also known as Elissa R. Pricc, Elissa Robin Price, Lisa Price, and Lisa Wells ("Elissa Price"). The "Corporate Defendants" are 120194 Canada, Ltd., d/b/a Veritech Communications, Veritech Communication Services, Veritech, Prime One Benefits, Prime One Financial, Prime One, First National Credit Service, and U.S. National Credit ("120194 Canada, Ltd."); Prime One Financial Group, Inc., d/b/a Prime One Benefits, Prime One Financial, Prime One, First National Credit Service, and U.S. National Credit ("Prime One Financial Group, Inc."); Marketing Directives, Inc., d/b/a Ameriline and Ameriline Corp. ("Marketing Directives, Inc."); 1284383 Ontario Inc., d/b/a First National Credit Service and Direct Service Management ("1284383 Ontario Inc."); and 1309529 Ontario Inc., d/b/a U.S. National Credit ("1309529 Ontario Inc.").
3. "Account number" means any credit or debit card number, bank account number, deposit account number, personal identification number ("PIN"), access code, or security code, needed to charge or debit a consumer's account.

4. "Asset" or "assets" means any legal or equitable interest in, right to, or claim to, any real and personal property, including, but not limited to, chattels, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, mail or other deliveries, inventory, checks, notes, accounts, credits, receivables (as those terms are defined in the Uniform Commercial Code), and all cash, wherever located.

5. "Assisting others" means providing any of the following goods or services to any person or entity engaged in telemarketing: (a) providing for or arranging for the provision of mail or telephone lists that contain, incorporate, or utilize consumers' account numbers; (b) preparing or providing, or causing to be prepared or provided, telephone sales scripts or other materials for use in connection with the promotion of products or services to consumers; (c) providing, mailing or shipping, or arranging for the provision, mailing, or shipping, of fulfillment products or services; (d) providing or arranging for the provision of telemarketing services; (e) providing or facilitating the means of obtaining payment from consumers, by providing or facilitating access to the credit card or bank account payment and collection system; (f) performing or providing marketing services of any kind; (g) developing, providing, or arranging for the provision of names of potential customers; (h) providing or arranging for the provision of post office boxes or the services of commercial receiving agencies; (i) preparing, printing, or transmitting invoices; (j) recording or verifying sales solicitations; and (k) performing customer service functions, including, but not limited to, receiving or responding to consumer complaints, obtaining or receiving identifying and financial information from consumers, and communicating with consumers on behalf of the seller or telemarketer.

6. “Consumer” means any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity.

7. “Credit-related products, programs, or services” means any product, program, or service which is advertised, offered for sale, or sold to consumers as a method by which consumers may establish or obtain any extension of credit or credit device, including, but not limited to, credit cards, loans, or financing, or as a method to consolidate or liquidate debts.

8. “Customer” means any person who has paid, or may be required to pay, for goods or services offered for sale or sold by Defendants.

9. “Document” is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

10. “Material” means likely to affect a person’s choice of, or conduct regarding, goods or services.

11. “Person” means a natural person, organization, or other legal entity, including, but not limited to, a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.

12. “Telemarketing” means a plan, program, or campaign (whether or not covered by the Telemarketing Sales Rule, 16 C.F.R. Part 310) which is conducted to induce the purchase of goods or services or a charitable contribution by use of one or more telephones.

**ORDER**

**I.**

**BAN ON THE TELEMARKETING OF ANY PRODUCTS, PROGRAMS, OR SERVICES TO CONSUMERS IN THE UNITED STATES**

**IT IS HEREBY ORDERED** that Defendants are hereby permanently restrained and enjoined from engaging in, participating in, or assisting others in the telemarketing, in any manner, of any products, programs, or services to any consumer in the United States. Nothing in this Order shall be construed as being an exception to this Section.

**II.**

**BAN ON SELLING CREDIT-RELATED PRODUCTS, PROGRAMS, OR SERVICES TO CONSUMERS IN THE UNITED STATES**

**IT IS FURTHER ORDERED** that Defendants are hereby permanently restrained and enjoined from promoting, offering for sale, or selling, directly or indirectly, credit-related products, programs, or services to any consumer in the United States. Nothing in this Order shall be construed as being an exception to this Section.

**III.**

**PROHIBITED BUSINESS ACTIVITIES**

**IT IS FURTHER ORDERED** that Defendants, and their officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, corporations, subsidiaries, affiliates, successors, and assigns, and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, in

connection with the advertising, marketing, promoting, offering for sale, or sale of any product, program, or service, are hereby permanently restrained and enjoined from:

A. Making, or assisting others in making, any express or implied representation or omission of material fact that is false or misleading, in any manner, including, but not limited to, any false or misleading statement:

1. Concerning any fact material to a consumer's decision to purchase any good or service;
2. Concerning any material aspect of the performance, efficacy, nature, or central characteristics of goods or services that are the subject of the sale; and
3. Concerning any material term, condition, or limitation of any transaction or about any offered good or service.

B. Assisting other who violate any provision of Paragraph A of this Section.

#### IV.

#### MONETARY JUDGMENT

**IT IS FURTHER ORDERED** that:

A. Judgment is hereby entered against Defendants, jointly and severally, in the amount of eight million, eighty-nine thousand, seven hundred and seventy-three dollars and ninety-four cents (\$8,089,773.94 (USD)) as equitable monetary relief for consumer injury. This monetary judgment shall become immediately due and payable by Defendants upon entry of this Order, and interest computed at the rate prescribed under 28 U.S.C. § 1961(a), as amended, shall immediately begin to accrue on the unpaid balance.

B. All payments under this Section shall be made by certified check or other guaranteed funds payable to and delivered to the Commission, or by wire transfer in accord with directions provided by the Commission.

C. All funds paid pursuant to this Section shall be deposited into a fund administered by the Commission or its agent to be used for equitable relief, including, but not limited to, consumer redress and any attendant expenses for the administration of such equitable relief fund. If the Commission determines, in its sole discretion, that redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the Commission may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the Amended Complaint. Defendants shall have no right to challenge the Commission's choice of remedies under this Section. This judgment for equitable monetary relief is solely remedial in nature and is not a fine, penalty, punitive assessment, or forfeiture.

V.

**ASSET FREEZE**

**IT IS FURTHER ORDERED** that, except for funds necessary for the payment of the monetary judgment required by Section IV of this Order, the assets of Defendants shall remain frozen pursuant to Section IV of the Stipulated Order for Preliminary Injunction with Asset Freeze and Other Relief entered by the Court on December 10, 2004 ("Preliminary Injunction"), except that the asset freeze set forth in Section IV of the Preliminary Injunction is modified so that the assets affected by this Section shall include both existing assets and assets acquired after the issuance date of this Order, and shall not exclude any assets derived from any source. The

asset freeze against the Defendants shall remain in effect until the Defendants have made full payment of the monetary judgment required by Section IV of this Order.

**VI.**

**ASSETS HELD BY THIRD PARTIES**

**IT IS FURTHER ORDERED** that in order to partially satisfy the monetary judgment set forth in Section IV above, any law firm, financial or brokerage institution, escrow agent, title company, commodity trading company, automated clearing house, network transaction processor, business entity, or person that holds, controls, or maintains custody of any account or asset of, on behalf of, or for the benefit of, the Defendants, or has held, controlled, or maintained custody of any account or asset of, or for the benefit of, the Defendants, shall turn over such account or asset to the Commission, within ten (10) business days of receiving notice of this Order by any means, including, but not limited to, via facsimile.

**VII.**

**PROHIBITION ON DISCLOSING CUSTOMER INFORMATION**

**IT IS FURTHER ORDERED** that Defendants, and their officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, corporations, subsidiaries, affiliates, successors, and assigns, and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, are permanently restrained and enjoined from:

A. Selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, social security number, account number, e-mail address, or other identifying

information of any person who submitted such information to Defendants in connection with the activities alleged in the FTC's Amended Complaint; and

B. Benefitting from or using the name, address, telephone number, social security number, account number, e-mail address, or other identifying information of any person who submitted such information to Defendants in connection with the activities alleged in the FTC's Amended Complaint.

*Provided, however,* that Defendants may disclose identifying information to agents of the Federal Trade Commission, other law enforcement agencies, or as required by any law, regulation, or court order.

### VIII.

#### MONITORING COMPLIANCE OF SALES PERSONNEL

**IT IS FURTHER ORDERED** that Individual Defendants Paul Price and Elissa Price, in connection with any business in which (1) any Individual Defendant is the majority owner of the business or directly or indirectly manages or controls the business, and (2) the business involves the promotion, offering for sale, or sale of any product or service to U.S. consumers, or assisting others engaged in the promotion, offering for sale, or sale of any product or service to U.S. consumers, and Corporate Defendants 120194 Canada, Ltd., Prime One Financial Group, Inc., Marketing Directives, Inc., 1284383 Ontario Inc., and 1309529 Ontario Inc., are hereby permanently restrained and enjoined from:

A. Failing to take reasonable steps sufficient to monitor and ensure that all employees and independent contractors engaged in sales or other customer service functions comply with Sections I, II, and III of this Order. These steps shall include adequate monitoring

of sales presentations or other calls with customers, and shall also include, at a minimum, the following: (1) listening to the oral representations made by persons engaged in sales or other customer service functions; (2) establishing a procedure for receiving and responding to consumer complaints; and (3) ascertaining the number and nature of consumer complaints regarding transactions in which each employee or independent contractor is involved;

B. Failing promptly to investigate fully any consumer complaint received by any business to which this Section applies; and

C. Failing to take adequate corrective action with respect to any employee or independent contractor whom Defendants determine are not complying with this Order. This corrective action may include training, disciplining, and/or terminating such employee or independent contractor.

## **IX.**

### **COMPLIANCE MONITORING**

**IT IS FURTHER ORDERED** that, for the purpose of monitoring and investigating compliance with any provision of this Order:

A. Within ten (10) days of receipt of written notice from a representative of the Commission, Defendants shall submit additional written reports, sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and/or provide entry during normal business hours to any business location in Defendants' possession or direct or indirect control to inspect the business operation;

B. In addition, the Commission is authorized to monitor compliance with this Order by all other lawful means, including, but not limited to, the following:

