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FILED

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF INDIANA  
FORT WAYNE DIVISION

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STEFAN... CLERK  
U.S. DISTRICT COURT  
FOR THE... DISTRICT

FEDERAL TRADE COMMISSION,  
  
Plaintiff,

v.

OMNI ADVERTISING, INC.,  
a corporation,  
  
- and -  
  
CHRISTOPHER EHRHORN, also d/b/a  
FRI, INC.,  
AMERICAN DEPUTY SHERIFFS' ASSOCIATION,  
DISABLED FIREFIGHTERS,  
individually and as an officer of the corporate defendant,

- and -

STACEY STANLEY, also d/b/a  
FRI, INC.,  
AMERICAN DEPUTY SHERIFFS' ASSOCIATION,  
DISABLED FIREFIGHTERS,  
individually and as an officer of the corporate defendant,  
  
Defendants.

CIVIL NO.  
1:98CV0301

COMPLAINT FOR INJUNCTIVE  
AND OTHER EQUITABLE RELIEF

X990001

JUDGE

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), for its complaint alleges as follows:

1. The Commission brings this action under Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), to obtain preliminary and permanent injunctive relief against the defendants to prevent them from engaging in deceptive acts or practices in violation

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of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and to obtain other equitable relief, including rescission, restitution and disgorgement, as is necessary to redress injury to consumers and the public interest resulting from defendants' violations of the FTC Act.

### **JURISDICTION AND VENUE**

2. Subject matter jurisdiction is conferred upon this Court by 15 U.S.C. §§ 45(a) and 53(b) and 28 U.S.C. §§ 1331, 1337(a), and 1345.

3. Venue in the United States District Court for the Northern District of Indiana is proper under 15 U.S.C. § 53(b), as amended by the FTC Act Amendments of 1994, Pub. L. No. 103-312, 108 Stat. 1691, and 28 U.S.C. § 1391(b) and (c).

### **PLAINTIFF**

4. Plaintiff, the Federal Trade Commission, is an independent agency of the United States Government created by statute. 15 U.S.C. § 41 *et seq.* The Commission enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits deceptive acts or practices in or affecting commerce. The Commission may initiate federal district court proceedings to enjoin violations of the FTC Act and to secure such other equitable relief as may be appropriate in each case, including redress and disgorgement. 15 U.S.C. § 53(b).

### **DEFENDANTS**

5. Defendant Omni Advertising, Inc. is an Indiana corporation. Its principal place of business was at 3206 Mallard Cove, Fort Wayne, Indiana, 46804. Omni Advertising, Inc. also does or has done business as :

- a. OMNI MARKETING;
- b. OMNI MARKETING GROUP, INC.;
- c. OMNI PUBLISHING;
- d. PRO-AD, INC.;
- e. FIRE SAFETY HANDBOOK;
- f. FIRE PREVENTION COLORING BOOK;
- g. SUBSTANCE ABUSE ACTIVITY GUIDE;
- h. DRUG PREVENTION ACTIVITY BOOK;

and possibly under other d/b/a's. Omni Advertising, Inc. transacts or has transacted business in this District.

6. Defendant Christopher Ehrhorn is an officer of the defendant corporation referred to herein. At all times relevant to this complaint, individually or in concert with others, he has formulated, directed, controlled or participated in the acts and practices of the corporate defendant, including the acts and practices set forth in this complaint. Defendant Ehrhorn also does business or has done business as FRI, Inc., American Deputy Sheriffs' Association, Disabled Firefighters, and under other d/b/a's including the same d/b/a's that Omni Advertising, Inc. uses as set forth in Paragraph 5. Defendant Ehrhorn transacts business from 6401 Constitution Drive, Fort Wayne, Indiana 46804.

7. Defendant Stacey Stanley is an officer of the corporate defendant referred to herein. At all times relevant to this complaint, individually or in concert with others, she has formulated, directed, controlled or participated in the acts and practices of the corporate defendant, including the acts and practices set forth in this complaint. Defendant Stanley does business or has done business as FRI, Inc., American Deputy Sheriffs' Association, and Disabled Firefighters and under other

d/b/a's including the same d/b/a's that Omni Advertising, Inc. uses as set forth in Paragraph 5. Defendant Stanley transacts business from 6401 Constitution Drive, Fort Wayne, Indiana 46804.

### **COMMERCE**

8. At all times relevant to this complaint, defendants have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

### **DEFENDANTS' BUSINESS ACTIVITIES**

9. Since at least 1991, defendant Christopher Ehrhorn has engaged in a program of misrepresentation targeted at public-spirited businesses and organizations in many states. Defendant Ehrhorn has conducted his operation using various incorporated and unincorporated entities, including EDCO, Inc., Pro-Ad, Inc., Omni Publishing, Omni Advertising, Inc., and—most recently—FRI, Inc., American Deputy Sheriffs' Association, and Disabled Firefighters. Defendant Stacey Stanley has operated this deceptive business with defendant Ehrhorn since at least 1995. Defendants solicit businesses and other organizations (hereinafter collectively referred to as "organizations") to either advertise in, or support or contribute to, publications defendants claim to publish and distribute.

10. In numerous instances, defendants contact an organization and misrepresent that the organization or a named person at the organization previously agreed to advertise in, or support or contribute to, defendants' publication. Many organizations are convinced by this misrepresentation and pay the defendants.

11. Defendants also represent that advertising in or supporting or contributing to their publications, which have titles such as FIRE SAFETY HANDBOOK and SUBSTANCE ABUSE ACTIVITY GUIDE, provide organizations with a meaningful opportunity to support important causes in their community, such as preventing drug abuse. Defendants often represent that the publication that contains the organization's advertisement or that the organization is supporting or contributing to (1) is widely distributed in the organization's local community and (2) is widely distributed by and through local groups, such as schools or fire departments, and these local groups are cooperating with or acting in conjunction with defendants to distribute their publications.

12. Contrary to defendants' representations, paying defendants does not provide organizations with a meaningful opportunity to support important causes in their community. Often, the publication that contains the organization's advertisement or that the organization is supporting or contributing to (1) is not widely distributed in the organization's local community; and (2) is not widely distributed by and through local groups, such as schools or fire departments, and local groups are not cooperating with nor acting in conjunction with defendants to distribute their publications.

13. Defendants reinforce the misrepresentation that the organization has ordered the advertisement in, or agreed to support or contribute to, the publication and is contractually obligated to pay defendants. In numerous instances, defendants send the organization an envelope Cash on Delivery (COD), containing a bill. Many organizations pay for the COD, because they believe that it contains something they ordered, but upon opening the envelope discover a receipt for something they never ordered. Also, in numerous instances, defendants threaten to take, and take, action to collect payment of the bill, thereby reinforcing the misrepresentation that the organization has ordered the advertisement, or agreed to support or contribute to, the publication, and is obligated to pay.

14. Contrary to defendants' representations, the organization has not ordered the advertisement or agreed to support or contribute to defendants' publication, and is not obligated to pay defendants. Moreover, organizations turned over by defendants to collection agencies often pay when they are not obligated to, and their credit record may be adversely affected.

15. Defendants' representations have caused individual organizations to pay hundreds, and sometimes thousands of dollars, for advertisements in or contributions to defendants' publications.

### COUNT ONE

16. In numerous instances, defendants have represented, expressly or by implication, that an organization, or a named person acting on behalf of the organization:

- a. previously authorized placement of an advertisement in defendants' publication, or
- b. previously agreed to support or contribute to defendants' publication.

17. In truth and in fact, in numerous instances an organization, or a named person acting on behalf of the organization:

- a. did not previously authorize placement of an advertisement in defendants' publication, and
- b. did not previously agree to support or contribute to defendants' publication.

18. Therefore, defendants' representations set forth in paragraph 16 are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

## COUNT TWO

19. In numerous instances defendants have represented, expressly or by implication that the publication containing an organization's advertisement, or the publication the organization is supporting or contributing to:

- a. is widely distributed in the organization's local community; and
- b. is widely distributed by and through local groups, such as schools or fire departments, and these local groups are cooperating with or acting in conjunction with defendants to distribute their publications.

20. In truth and in fact, in numerous instances, the publication containing an organization's advertisement, or the publication the organization is supporting or contributing to:

- a. is not widely distributed in the organization's local community; and
- b. is not widely distributed by and through local groups, such as schools or fire departments, and these local groups are not cooperating with nor acting in conjunction with defendants to distribute their publications.

21. Therefore, defendants' representations set forth in paragraph 19 are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### COUNT THREE

22. In numerous instances defendants have sent organizations COD packages containing bills, or have threatened to take or have taken action to collect payment of such bills, thus representing, expressly or by implication, that such organizations have ordered advertisements in or agreed to support or contribute to, defendants' publications, and are therefore obligated to pay for them.

23. In truth and in fact, in numerous instances, such organizations have not ordered advertisements in and have not agreed to support or contribute to, defendants' publications, and are therefore not obligated to pay for them.

24. Therefore, defendants' representation set forth in paragraph 22 is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### CONSUMER INJURY

25. Defendants' violations of Section 5 of the FTC Act, as set forth above, have caused and continue to cause substantial injury to consumers, namely the organizations defrauded by defendants' activities. Absent injunctive relief by this Court, defendants are likely to continue to injure consumers.



### **THIS COURT'S POWER TO GRANT RELIEF**

26. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to issue a permanent injunction against defendants' violations of the FTC Act and, in the exercise of its equitable jurisdiction, grant such other relief as the Court may deem appropriate to halt and redress violations of the FTC Act, including restitution and disgorgement of unjust enrichment.

### **PRAYER FOR RELIEF**

WHEREFORE, the Commission respectfully requests that this Court, as authorized by Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and pursuant to its own equitable powers:

1. Award the Commission all temporary and preliminary injunctive and ancillary relief that may be necessary to avert the likelihood of consumer injury during the pendency of this action, and to preserve the possibility of effective final relief, including, but not limited to, temporary and preliminary injunctions, appointment of a receiver, and an order freezing each defendant's assets.
2. Permanently enjoin the defendants from violating the FTC Act as alleged in this complaint;
3. Award all relief that the Court finds necessary to remedy the defendants' violations of Section 5(a) of the FTC Act,

including, but not limited to, the refund of monies paid and the disgorgement of ill-gotten monies; and

4. Award the Commission the costs of bringing this action, as well as any other equitable relief that the Court may determine to be just and proper.

Date: October 2, 1998

Respectfully submitted,

DEBRA A. VALENTINE  
General Counsel

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