

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

FILED

JUN 13 2018

**THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

9140-9201 QUÉBEC INC., a Quebec corporation,
also doing business as AMETECK GROUP,
MARKETING MIDWEST, MIDWEST
MARKETING, and MIDWEST MARKETING
INC.;

MIDWEST ADVERTISING & PUBLISHING
INC., a Quebec corporation, also doing business as
MIDWESTERN ADVERTISING AND
PUBLISHING and GLOBAL SITE DESIGN;

THE LOCAL BUSINESS PAGES, a Quebec
company;

PREMIUM BUSINESS PAGES INC., a Delaware
corporation;

AMETECH GROUP LLC, a dissolved Nevada
limited liability company;

AMETECK GROUP LLC, a Delaware limited
liability company;

DATA NET TECHNOLOGIES, LLC, a Georgia
limited liability company;

RÉMY MUNILLA, individually; as an owner,
officer, or director of Defendants 9140-9201
Québec Inc. and Midwest Advertising &
Publishing Inc.; and as an owner and/or manager
of Defendants The Local Business Pages, Premium
Business Pages Inc., Ametech Group LLC,
Ameteck Group LLC, and Data Net Technologies,
LLC; and

Case No.

1:18-cv-04115

Judge: Rebecca R. Pallmeyer

Magistrate Judge: M. David Weisman

CAROL BEAUDOIN, individually, and as an)
owner, officer, or director of Defendant Premium)
Business Pages Inc.,)
)
Defendants.)
_____)

**COMPLAINT FOR PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF**

Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, 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).

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

3. Venue is proper in this District under 28 U.S.C. §§1391(b)(2), (b)(3), (c)(3), 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. §§ 41-58. 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.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act 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).

DEFENDANTS

6. Defendant 9140-9201 Québec Inc. (“9140-9201 Quebec”) is a Quebec corporation with its registered address at 1008-5065 Rue Jean-Talon E., Saint-Léonard, Québec, Canada, H1S 0B5, and its principal place of business at 5180 Ch. Queen-Mary, Suite 300-330, Montréal, Québec, Canada H3W 3E7. 9140-9201 Quebec also does business as Ametek Group, Marketing Midwest, Midwest Marketing, and Midwest Marketing Inc. 9140-9201 Quebec transacts or has transacted business in this district and throughout the United States.

7. Defendant Midwest Advertising & Publishing Inc. (“Midwest Advertising & Publishing”) is a Quebec corporation with its registered address at 1008-5065 Rue Jean-Talon E., Saint-Léonard, Québec, Canada, H1S 0B5, and its principal place of business at 5180 Ch. Queen-Mary, Suite 300-330, Montréal, Québec, Canada H3W 3E7. Midwest Advertising & Publishing also does business as Midwestern Advertising and Publishing and Global Site Design. Midwest Advertising & Publishing transacts or has transacted business in this district and throughout the United States.

8. Defendant The Local Business Pages is a Quebec company with its registered address at 402-3340 Rue Charles-Best, Laval, Québec, Canada, H7V 3X2, and its principal place of business at 5180 Ch. Queen-Mary, Suite 300-330, Montréal, Québec, Canada H3W 3E7. The Local Business Pages transacts or has transacted business in this district and throughout the United States.

9. Defendant Premium Business Pages Inc. (“Premium Business Pages”) is a Delaware corporation with its registered address at 501 Silverside Road, Suite 105, Wilmington,

Delaware 19809, and its principal place of business at 5180 Ch. Queen-Mary, Suite 300-330, Montréal, Québec, Canada H3W 3E7. Premium Business Pages transacts or has transacted business in this district and throughout the United States.

10. Defendant Ametech Group LLC (“Ametech Group”) is a Nevada limited liability company that was dissolved on November 18, 2016. Its registered address is Nevada Discount Registered Agent, Inc., 831 Laca Street, Dayton, Nevada 89403, and its principal place of business was at 5180 Ch. Queen-Mary, Suite 300-330, Montréal, Québec, Canada H3W 3E7. Ametech Group transacts or has transacted business in this district and throughout the United States.

11. Defendant Ameteck Group LLC (“Ameteck Group”) is a Delaware limited liability company with its registered address at Delaware Business Incorporators, Inc., 3422 Old Capitol Trail, Suite 700, Wilmington, Delaware 19808, and its principal place of business at 5180 Ch. Queen-Mary, Suite 300-330, Montréal, Québec, Canada H3W 3E7. Ametech Group transacts or has transacted business in this district and throughout the United States.

12. Defendant Data Net Technologies, LLC (“Data Net Technologies”), is a Georgia limited liability company with its registered address at 101 Colony Park Drive, Suite 300, Cumming, Georgia 30040, and its principal place of business at 5180 Ch. Queen-Mary, Suite 300-330, Montréal, Québec, Canada H3W 3E7. Data Net Technologies transacts or has transacted business in this district and throughout the United States.

13. Defendant Rémy Munilla (“Munilla”) is an owner, officer, or director of Defendants 9140-9201 Quebec and Midwest Advertising & Publishing, and an owner and/or manager of Defendants The Local Business Pages, Premium Business Pages, Ametech Group, Ameteck Group, and Data Net Technologies. At all times material to this Complaint, acting

alone or in concert with others, Defendant Munilla has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Among other things, Defendant Munilla has controlled all aspects of Defendants' finances and business operations, including by serving as President, Secretary, and Treasurer of Defendant 9140-9201 Quebec and President of Defendant Midwest Advertising & Publishing. Defendant Munilla also incorporated or registered many of the entities through which Defendants' enterprise operates. He opened a merchant processing account used by the enterprise and is regularly present at the business premises. Defendant Munilla is a citizen of Canada and resides in Montreal, Quebec, Canada. Defendant Munilla, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

14. Defendant Carol Beaudoin ("Beaudoin") is an owner, officer, or director of Defendant Premium Business Pages. At all times material to this Complaint, acting alone or in concert with others, Defendant Beaudoin has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Among other things, Defendant Beaudoin incorporated entities through which Defendants' enterprise has operated, including Defendant Premium Business Pages. She opened and controls bank accounts and commercial mail receiving agency mail drop boxes used by the enterprise. She also opened a merchant processing account and is regularly present at the business premises. Defendant Beaudoin is a citizen of Canada and resides in LaSalle, Quebec, Canada. Defendant Beaudoin, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

COMMON ENTERPRISE

15. Defendants 9140-9201 Quebec, Midwest Advertising & Publishing, The Local Business Pages, Premium Business Pages, Ametech Group, Ameteck Group, and Data Net Technologies (collectively, “Corporate Defendants”) have operated as a common enterprise while engaging in the deceptive and unlawful acts and practices alleged below. Defendants have conducted the business practices described below through an interrelated network of companies that have common ownership, officers, managers, business functions, and employees, that operate from a common business location, and that commingled funds. Because these Corporate Defendants have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below. Defendants Munilla and Beaudoin have formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Corporate Defendants that constitute the common enterprise.

COMMERCE

16. At all times material 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

17. Since at least 2013, Defendants have made unsolicited telephone calls to small businesses and other organizations throughout the United States to induce them to pay for unordered Internet directory listings, search engine optimization services, or website design and hosting services (“Defendants’ services”).

18. When contacting consumers for the first time, Defendants' telemarketers purport to be calling to collect on a past-due invoice for one of Defendants' services. Defendants claim that the consumer previously received an invoice for Defendants' services that was not paid.

19. In fact, the consumers that Defendants call did not order or agree to purchase anything from Defendants, nor did they previously receive an invoice from Defendants. In many instances, Defendants' telephone calls are the first contact of any kind that consumers have had with Defendants.

20. Defendants often represent that consumers must pay the alleged invoices immediately. Their telemarketers frequently threaten that if consumers do not promptly pay, their accounts will be turned over to "collections" or will be "red flagged." Consumers also sometimes are told that their credit will be negatively affected, or that additional fees and costs will be added to the outstanding invoice.

21. To induce consumers to pay immediately, Defendants' telemarketers sometimes offer to "discount" the allegedly outstanding amount or to "waive" the additional fees and costs. In some instances, the telemarketers agree to accept hundreds of dollars less than the amount purportedly due. For Defendants to accept the lesser amount, consumers must pay within a short time, usually within twenty-four hours.

22. Many consumers respond by telling Defendants' telemarketers that they did not order anything from Defendants and that they also never received an invoice. Defendants then send those consumers, usually by e-mail or facsimile, an invoice that purports to be for one of Defendants' services. Typically, the invoice includes the name of an employee at the business who allegedly ordered Defendants' services. The invoice also includes a date, which typically is several weeks or months before the consumer was first contacted by Defendants, and "Terms" of

thirty days. Defendants' invoices typically seek payment of amounts ranging from several hundred to more than one thousand dollars.

23. Based on Defendants' representations, many consumers believe that they ordered Defendants' services or that someone else in their organization placed the order. As a result, many consumers pay Defendants' invoices.

24. To pay, consumers are asked to provide bank account information that Defendants then use to debit their accounts. Alternatively, consumers pay by providing their credit or debit card information, or by mailing a check to a mail drop box controlled by Defendants.

25. In many instances, however, consumers dispute that they, or anyone in their organization, ordered Defendants' services. Some consumers even demand proof that they placed an order. In many of those instances, Defendants' telemarketers purport to have an audio recording of the call where the order was placed. When consumers demand to hear the purported recording, however, Defendants' telemarketers often ignore the consumers' demands, or they claim that the recording is not currently accessible to them.

26. In numerous instances, consumers refuse to pay Defendants' invoices for services they did not order and do not want. When consumers refuse to pay, Defendants often take additional steps to coerce them, including by making multiple and repeated calls demanding payment. Some consumers eventually pay believing that doing so will put an end to Defendants' harassing calls.

27. In some instances, even after consumers pay, Defendants call them again, sometimes weeks or months later, and demand payment for yet another purportedly outstanding amount or past-due invoice. The telemarketers often represent in these instances that the initial payment was only a partial payment and that the remaining balance must be immediately paid.

28. In other instances, Defendants use a different business name to contact consumers who previously paid one of their invoices. Defendants' telemarketers claim that the consumer has an outstanding or past-due balance owed to what appears to be a completely separate business. As a result, many consumers have unknowingly paid Defendants multiple times for unordered and unwanted services.

29. Thousands of consumers who have been deceived by Defendants' practices have paid Defendants hundreds or thousands of dollars for services they never ordered and did not want.

VIOLATIONS OF THE FTC ACT

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

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

COUNT I

32. In numerous instances, in connection with the offering for sale or sale of Internet directory listings, search engine optimization services, and website design and hosting services, Defendants have represented, directly or indirectly, expressly or by implication, that consumers have a preexisting business relationship with Defendants.

33. In truth and in fact, in numerous instances in which Defendants have made the representation set forth in Paragraph 32 of this Complaint, consumers have not had a preexisting business relationship with Defendants.

34. Therefore, Defendants' representation as set forth in Paragraph 32 of this Complaint 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).

COUNT II

35. In numerous instances, in connection with the offering for sale or sale of Internet directory listings, search engine optimization services, and website design and hosting services, Defendants have represented, directly or indirectly, expressly or by implication, that consumers have ordered one of Defendants' services.

36. In truth and in fact, in numerous instances in which Defendants have made the representation set forth in Paragraph 35 of this Complaint, consumers have not ordered any of Defendants' services.

37. Therefore, Defendants' representation as set forth in Paragraph 35 of this Complaint 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).

COUNT III

38. In numerous instances, in connection with the offering for sale or sale of Internet directory listings, search engine optimization services, and website design and hosting services, Defendants have represented, directly or indirectly, expressly or by implication, that consumers owe money to Defendants for one of Defendants' services.

39. In truth and in fact, in numerous instances in which Defendants have made the representation set forth in Paragraph 38 of this Complaint, consumers do not owe money to Defendants for any of Defendants' services.

40. Therefore, Defendants' representation as set forth in Paragraph 38 of this Complaint 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

41. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

42. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

A. Award Plaintiff such preliminary injunctive and ancillary relief as 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, and an order freezing assets;

B. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;

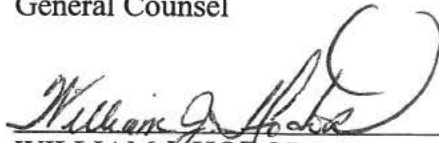
C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including, but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and

D. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Dated: June 13, 2018

Respectfully submitted,

ALDEN F. ABBOTT
General Counsel



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