

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

Case No. _____-CIV

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	
)	
ACCESS RESOURCE SERVICES,)	
INC., dba)	
Aura Communications;)	
Circle of Light;)	
Mind and Spirit; and)	
Psychic Readers Network,)	
)	
PSYCHIC READERS NETWORK,)	
INC.,)	
)	
STEVEN L. FEDER,)	
)	
and)	
)	
PETER STOLZ)	
)	
Defendants.)	

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 Telephone Disclosure and Dispute Resolution Act of 1992 (“TDDRA”), 15 U.S.C. § 5701 *et seq.*, to obtain preliminary and permanent injunctive relief, restitution, disgorgement, and other equitable relief for Defendants' deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC's 900-Number Rule, 16 C.F.R. Part 308.

JURISDICTION AND VENUE

2. Subject matter jurisdiction is conferred upon this Court by 15 U.S.C. §§ 45(a), 53(b), 57b, 5711, and 6105, and 28 U.S.C. §§ 1331, 1337(a), and 1345.

3. Venue in this district is proper under 15 U.S.C. § 53(b) and 28 U.S.C. §§ 1391(b) and (c).

DEFENDANTS

4. Defendant Access Resource Services, Inc. (“ARS”) is a Delaware corporation with its office and principal place of business located at 2455 E. Sunrise Boulevard, 10th Floor, Fort Lauderdale, Florida 33304. ARS transacts or has transacted business in the Southern District of Florida and throughout the United States under its own name and using fictitious names that include, but are not limited to: Aura Communications, Circle of Light, Mind and Spirit, and Psychic Readers Network.

5. Defendant Psychic Readers Network, Inc. (“PRN”) is a Florida corporation with its office and principal place of business located at 2455 E. Sunrise Boulevard, 10th Floor, Fort Lauderdale,

Florida 33304. PRN transacts or has transacted business in the Southern District of Florida and throughout the United States.

6. ARS and PRN operate as a common enterprise to induce consumers to purchase their audiotext services (information or entertainment programs provided over telephone lines).

7. Defendant Steven L. Feder is a director of both ARS and PRN, and is the president, secretary, and treasurer of PRN. He resides in Fort Lauderdale, Florida. At all times material to this complaint, acting alone or in conjunction with others, he has formulated, directed, controlled, or participated in the acts and practices alleged in this complaint. He transacts or has transacted business in the Southern District of Florida and throughout the United States.

8. Defendant Peter Stolz is a director of both ARS and PRN, and is the president, secretary, and treasurer of ARS. He resides in Fort Lauderdale, Florida. At all times material to this complaint, acting alone or in conjunction with others, he has formulated, directed, controlled, or participated in the acts and practices alleged in this complaint. He transacts or has transacted business in the Southern District of Florida and throughout the United States.

COMMERCE

9. At all times material to this complaint, Defendants' course of business, including the acts and practices alleged herein, has been and is in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFINITIONS

For the purpose of this complaint:

10. “Pay-per-call service” has the meaning provided by section 308.2(c) of the 900-Number Rule, 16 C.F.R. § 308.2(c).

11. “Billing entity” has the meaning provided by section 308.7(a)(1) of the 900-Number Rule. 16 C.F.R. § 308.7(a)(1).

12. “Billing error” has the meaning provided by section 308.7(a)(2) of the 900-Number Rule, 16 C.F.R. 308.7(a)(2).

DEFENDANTS' COURSE OF CONDUCT

Defendants' Business Structure

13. Defendants are purportedly the largest provider of “psychic” audiotext services in the country and have been offering such services under the names ARS and PRN since at least 1997. Defendants use television, print, and Internet advertisements, as well as telemarketing, direct mail, and electronic mail (“email”) solicitations to generate business. Defendants make their services available to consumers via 900 telephone numbers and bill them for each minute spent on the line at a per-minute rate. Defendants use a national network of “psychic readers” to provide “readings” to consumers who call Defendants’ 900 numbers.

Defendants' Advertising

14. Defendants attract consumers via a nationwide advertising campaign that includes television, print, and Internet advertisements, as well as telemarketing, direct mail, and email solicitations. Defendants’ advertisements feature a toll-free telephone number for consumers to call to obtain a “free reading” or a “free tarot reading.” Defendants’ advertisements often include disclosures in much smaller print that the first three minutes, or a similar number of minutes, of a call are free; that

the caller should be eighteen years old or older; and that Defendants' services are "for entertainment only." Those disclosures are displayed only briefly and intermittently in difficult to read print.

Defendants' advertisements often do not inform consumers of the per-minute cost of a call to the advertised service.

Defendants' Television Advertising Campaign

15. Defendants broadcast numerous television advertisements for their services. The advertisements include thirty or sixty second short-format advertisements and longer "infomercial" format advertisements. Both advertising forms prominently feature a toll-free number to call for a "free reading."

16. Defendants' television advertisements typically feature a "psychic reader" identified as "Miss Cleo." The advertisements tout "Miss Cleo's" qualifications and skills as a "psychic reader." Many of Defendants' advertisements feature demonstrations of "Miss Cleo's" abilities as a "psychic reader." These demonstrations portray "Miss Cleo" quickly performing "readings" for, and giving advice to, persons who are represented to be callers to Defendants' telephone lines or members of a studio audience.

17. The advertisements represent that the advice or information given by "Miss Cleo" is based upon her spontaneous interpretation of tarot cards. In these advertisements, "Miss Cleo" provides advice and information on a wide range of topics, including personal relationships, finances, and employment.

18. While the short format advertisements depict excerpts from "Miss Cleo's" "readings," Defendants' longer format infomercials portray "Miss Cleo's" handling of several calls from beginning

to end, during which she provides a “reading” to each caller. “Miss Cleo” asks the callers to begin by providing no more than their first name, the city from which they are calling, and a birth date. She then asks the caller to state their question or concern. She proceeds to deal and “read” a certain number of tarot cards. “Miss Cleo” then quickly and succinctly gives the caller a “reading” and advice addressing his or her specific question or concern. After she delivers her “reading” and advice, “Miss Cleo” immediately terminates the call.

19. In these infomercials, “Miss Cleo” is usually depicted as completing her “reading” in less than three or four minutes.

Defendants’ Direct Mail and Telemarketing Advertising Campaigns

20. Defendants also send numerous direct mail solicitations to consumers, using both standard postal delivery and email messages. In many instances, these solicitations are sent to consumers whose names and addresses were acquired by Defendants’ “psychic readers” in the course of handling calls to Defendants’ 900 numbers.

21. Defendants typically send their direct mail advertisements to consumers in the form of a message, postcard, or letter from a “psychic.” The mail piece often informs the consumer that the “psychic” has important, urgent, and specific information that will benefit the consumer in making decisions regarding romance, finances, or career and instructs the consumer to call a toll-free number for a “free reading” to receive the information.

22. In addition, Defendants frequently and repeatedly telephone consumers to solicit the use of Defendants’ services. Defendants employ both live telemarketers and recorded solicitations to make these telephone calls and sometimes call individual consumers as often as several times a day. During

these sales calls, Defendants often represent that they have important, urgent, or specific information to convey to the recipient, and that such information can be obtained through a “free reading.”

23. In numerous instances, consumers inform the persons whom Defendants use to make telemarketing solicitation calls that they wish Defendants to cease making such calls. In numerous instances, Defendants continue to make repeated telemarketing calls to those consumers.

24. In other instances, consumers who receive multiple recorded solicitations from Defendants or the persons whom they employ have great difficulty obtaining contact information, other than a 900 number, to use to reach someone associated with Defendants to request that Defendants cease the repeated, intrusive calls.

25. Consumers who call Defendants’ 900 numbers to complain about the repeated solicitation calls risk incurring expensive per-minute charges. In addition, consumers are unlikely to reach anyone who will or can directly act upon the callers’ requests that the repeated solicitations stop.

Consumers’ Access to Defendants’ Services

26. Consumers who respond to Defendants’ advertisements and promotions by calling the advertised toll-free number are connected to either a recording or a live operator employed by Defendants. In most instances, the operator or recording provides the consumer with a 900 telephone number that the consumer must dial in order to be connected to a “psychic reader” and states the number of free minutes that the consumer will receive as well as the per-minute cost of the call thereafter.

27. This is the first time that Defendants inform consumers they will have to dial a 900 number to obtain the advertised “free reading” and disclose the costs associated with dialing that 900 number.

28. Consumers who dial these 900 numbers hear a recorded preamble that provides cost information, including the number of free minutes, and other information about Defendants' services before they are transferred to a "psychic reader."

Defendants' Network of "Psychic Readers"

29. Defendants use a network of contract workers to provide audiotext services to consumers who call their 900 numbers. Defendants call these workers "psychic readers" (or "readers"). Defendants' "psychic readers" work either from home or in facilities maintained by Defendants or Defendants' contractors. Defendants forward consumer calls made to their 900 numbers to their "psychic readers" who then conduct the "psychic readings" for the consumers.

30. Defendants' "readers" are typically compensated on a per-minute basis for each minute they spend with callers to the network.

31. Defendants' "psychic readers" act on behalf of, and for the benefit of Defendants.

32. Defendants distribute 900 number calls to their "psychic readers" around the country via a computerized routing system. "Readers" log on to the computerized routing system via a telephone call and entry of an assigned extension number, indicating that the "reader" is available to accept calls.

33. Defendants keep and use a statistic called "call average," which refers to the average number of minutes that a "reader" keeps the consumer on the line. Those "psychic readers" who have the highest call averages are assigned incoming calls first. Those "psychic readers" who have lower call averages, therefore, are not assigned as many calls and also may receive a lower rate of compensation for the calls that they are assigned.

34. Defendants and their contractors typically establish a requirement that their "psychic

readers” maintain a call average of a certain minimum length, often twelve or fifteen minutes, in order to continue as a “psychic reader” in Defendants’ network. “Readers” whose call averages fall below these established minimums can be terminated and lose their ability to log onto Defendants’ network to receive calls and to earn money from handling such calls.

Nature of Readings Provided to Consumers by Defendants

35. While Defendants’ advertising promises callers “free readings,” “readers” who consistently fail to keep consumers on the line past the allotted free time are likely to be terminated from Defendants’ network. Defendants’ “readers” often fail to complete their “readings” within the first few minutes of a call. Defendants and their “readers” use a variety of techniques and representations to keep consumers on the line for extended periods of time. Calls to Defendants’ lines can last up to sixty minutes per call, at which point the Defendants usually automatically disconnect the call. When billed at the typical rate of \$4.99 per minute, those calls can result in charges of up to \$300 per call.

36. At the beginning of each 900 number call, the “psychic reader” typically asks the caller a series of questions to elicit the caller’s name, birth date, address, and email address. The “reader” then repeats the information back to the caller and asks the caller to verify it or to indicate correct spellings. Defendants require their “readers” to obtain this information and provide bonuses to “readers” for each address captured that is not already contained in Defendants’ database.

37. In many instances, in the course of obtaining and verifying this information, Defendants’ “readers” consume the entire free portion of the call without starting the advertised “free reading.”

38. When performing “readings,” Defendants’ “psychic readers” also use scripts or are provided with written guidelines, the use of which extends the amount of time that a “reading” will last.

39. In numerous instances, consumers who call Defendants' 900 numbers are connected to "psychic readers" who do not quickly and succinctly give the caller a "reading" and advice addressing their specific question or concern. Those "readers" engage in practices that include, but are not limited to: 1) slowly reading back the information given by consumers and asking them to repeat such information; 2) performing readings that are intentionally drawn-out; 3) responding to consumers' questions and concerns with vague answers and information; and 4) failing to initiate completion of the reading and termination of the call.

40. In many instances, Defendants' "psychic readers" make misrepresentations about the cost of the call to keep callers on the line. These misrepresentations include, but are not limited to: 1) telling callers that they will not be billed for any portion of the call that occurs while they are on hold; 2) telling callers who have been placed on hold or are otherwise waiting to speak to a "reader" that if the callers disconnect the call, they will be charged for time spent waiting on the line, but if the callers remain on the line they will be credited for that time; 3) telling callers that their free minutes have not yet expired; and 4) telling callers that they are being awarded additional free minutes or that they will be reimbursed or credited for additional time spent on the line.

Billing System for Pay-Per-Call Services

41. Pay-per-call services accessed through Defendants' 900 numbers are charged to the telephone number from which the call was placed. Defendants utilize "automatic number identification" ("ANI") to identify this telephone number.

42. ANI is a system that electronically captures the telephone number from which a call has been placed, similar to "caller ID." When a call is received by Defendants, the ANI of the line from

which the call originated is captured, and a record of the call is created. This record includes the date, start time, duration of the call, the caller's ANI, and the 900 number dialed.

43. Using this captured number, AT&T or Defendants' other billing agents then submit an electronic record of the call and related charge to the line subscriber's local telephone company, known in the telecommunications industry as the Local Exchange Carrier ("LEC"). The LEC then places the charges on the line subscriber's regular monthly telephone bill. When the LEC receives payment for the charge, the LEC transfers payment to AT&T or other billing agents and those entities, in turn, transfer payment to Defendants.

44. Monthly LEC telephone bills that contain charges for Defendants' audiotext services do not identify Defendants as the provider of those services or provide contact information for Defendants, other than the 900 number purportedly dialed by the line subscriber.

45. Line subscribers wishing to dispute or question charges are directed to contact the billing agent used by Defendants, such as AT&T. Those billing agents often issue credits to line subscribers who dispute such charges.

46. Where a billing agent has given a subscriber a credit for a call made or purportedly made to one of Defendants' 900 numbers, Defendants often directly bill the line subscriber. Defendants mail those consumers collection notices that identify Defendants as the providers of the audiotext services, demand direct payment to a specific address, and threaten further collection activity. Those collection notices sometimes provide a telephone number and inform consumers that they can call that number with questions regarding the notice.

47. ANI provides Defendants with no information identifying the line subscriber who

purportedly accessed their services other than his or her telephone number. When mailing collection notices, therefore, Defendants often use directories and other databases to discover the names and addresses of the line subscribers to whom those telephone numbers are assigned. Those directories and databases are often outdated or inaccurate.

48. As a result, Defendants often bill consumers for 900 calls placed from telephone lines that consumers had disconnected months or years before the date of the 900 call. When billing those consumers, Defendants often claim that the consumers are responsible for charges associated with pay-per-call services, even though those services were not accessed by the consumers, or from their telephones.

Defendants' Collection Practices and Response to Consumer Complaints

49. Consumers who call the telephone number provided in Defendants' collection notices to dispute charges are often met with a busy signal. At other times, consumers receive a recording and are asked to leave a message. In numerous instances, consumers who leave messages with the recording do not receive a call back from Defendants.

50. Some consumers are able to contact Defendants to complain that they have been billed in error for charges that the consumers did not incur or otherwise do not owe. In many such instances, Defendants assert, without regard to the consumers' explanations, that the call was directly dialed from the consumer's telephone and that, as the owner of the telephone, he or she is responsible for all charges incurred from the telephone.

51. Defendants often make that assertion without investigating the consumer's explanation. Defendants' assertion is often inaccurate because it is based solely on the information provided by the

ANI system and/or telephone directories and databases. ANI is not an infallible system for determining whether pay-per-call services were accessed from a line subscriber's telephone and those telephone directories and databases are often inaccurate or outdated.

52. Defendants often respond to consumer inquiries with abusive, threatening, and vulgar language. In numerous instances, Defendants' representatives refuse to investigate consumers' explanations, refuse to forward the consumers to a supervisor, and hang up on consumers.

53. In numerous instances, where consumers have disputed Defendants' pay-per-call charges, Defendants threaten to report the consumers' failures to pay those charges to a credit reporting agency. Defendants make such threats even though they have failed to conduct a reasonable investigation of the consumer disputes relating to those charges, or have failed to transmit a written explanation stating why no billing error occurred to the disputing consumers.

54. Defendants' collection agents repeatedly call consumers who have disputed a bill and threaten to report the debt to a credit reporting agency, to sue the consumers, and, in some instances, to garnish the consumers' wages and seize the consumers' property.

55. Defendants also send letters to consumers who have disputed bills threatening to report the consumers' failure to pay for charges related to Defendants' pay-per-call services to a credit reporting agency. These letters often contain statements such as: "This account will be reported as delinquent unless you make payment on this account. In short, you can prevent damage to your credit rating by satisfying your obligation."

56. In numerous instances, Defendants send letters, purportedly signed by an attorney, to consumers who dispute their bills. These letters often contain statements such as: "Payment on this debt

must be made within fourteen (14) days of the date of this letter. If payment is not received we may be instructed to report this debt to the credit agencies and institute court action.” Other collection letters to consumers discuss the possibility that the consumers’ attachable assets may be seized.

57. Many consumers who have been unable to persuade Defendants to cease their collection activity fear being reported to a collection agency or a credit bureau or being sued by Defendants. In numerous instances, such consumers pay Defendants for audiotext services that were accessed neither by the consumers nor from the consumers’ telephones or pay Defendants for charges that contain other billing errors.

58. Consumers nationwide suffer monetary losses, including but not limited to telephone charges as high as \$300 per billed call, as well as losing the time and effort expended attempting to resolve their disputes, due to Defendants’ practices detailed above.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

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

Count One

60. In numerous instances, in the course of advertising their services, Defendants represent, expressly or by implication, that consumers will receive a “tarot reading” or a “reading” at no cost.

61. In truth and in fact, in numerous instances, consumers do not receive a “tarot reading” or a “reading” at no cost.

62. Defendants’ representations, as set forth in Paragraph 60, above, therefore, are false and deceptive in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count Two

63. In numerous instances, Defendants or their agents make representations, expressly or by implication, about the cost of the call or the cost of remaining on the telephone line, including, but not limited to, statements that the free portion of the call has not expired, that the consumer has been awarded additional free time or credit, or that the consumer will not be billed for time spent on hold.

64. In truth and in fact, in numerous instances, the representations that Defendants or their agents make to consumers regarding the cost of the call or the cost of remaining on the telephone line are false.

65. Defendants' representations, as set forth in Paragraph 63, above, therefore, are false and deceptive in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count Three

66. In numerous instances, in the course of attempting to collect or collecting for pay-per-call services, Defendants make representations, expressly or by implication, to consumers that the consumers are legally obligated to pay Defendants for charges associated with calls made or purportedly made to Defendants' 900 numbers, including, but not limited to, calls made from telephone lines that the consumer had previously disconnected, calls placed from outside of the consumer's home, and calls for which the consumer is otherwise not obligated to pay under state law.

67. In truth and in fact, in numerous instances, consumers are not legally obligated to pay Defendants for charges associated with Defendants' 900 numbers, including, but not limited to, calls made from telephone lines that the consumer had previously disconnected, calls placed from outside of the consumer's home, and calls for which the consumer is otherwise not obligated to pay under state

law.

68. Defendants' representations, as set forth in Paragraphs 66, above, therefore, are false and deceptive in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count Four

69. In numerous instances, Defendants or their agents call consumers frequently and repeatedly to solicit consumers to use Defendants' services.

70. In numerous instances, when making such calls, Defendants or their agents fail to provide consumers with a reasonable method to cause Defendants to cease making such calls.

71. The acts or practices described in Paragraphs 69 and 70, above, are likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition.

72. Defendants' practices, as set forth in Paragraphs 69 and 70, above, therefore, are unfair in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE 900-NUMBER RULE

73. The Commission's 900-Number Rule, 16 C.F.R. Part 308, became effective on November 1, 1993, and implements the requirements of the Telephone Disclosure and Dispute Resolution Act of 1992 ("TDDRA"), 15 U.S.C. § 5701 et seq. The 900-Number Rule establishes, *inter alia*, procedures for billing and collecting charges for pay-per-call services and requirements relating to making cost disclosures for those services.

74. Pursuant to section 18(d)(3) of the FTC Act and Sections 201(a)(8) and (c) of the TDDRA, 15 U.S.C. §§ 57a(d)(3) and 5711(a)(8) and (c), each violation of the 900-Number Rule

constitutes an unfair or deceptive practice in violation of Section 5(a)(1) of the FTC Act, 15 U.S.C. § 45(a)(1).

Count Five

75. Section 308.3 of the 900-Number Rule governs the advertising of pay-per-call services. Section 308.3(b)(1) of the Rule requires that, in any advertisement for a pay-per-call service, the provider of the service clearly and conspicuously disclose the cost of a call to access the service.

76. Section 308.3(a)(5) of the Rule prohibits a provider of a pay-per-call service from using any representations in any advertisement that are contrary to, inconsistent with, or in mitigation of the cost disclosures required by Section 308.3(b)(1) of the Rule. Section 308.3(a)(5) also prohibits the provider of the service from using any audio, video, or print technique in any advertisement for the service that is likely to detract significantly from the communication of the required cost disclosures.

77. In numerous instances, Defendants create and disseminate advertisements for pay-per-call services that violate Section 308.3 of the 900-Number Rule, including, but not limited to:

- a. advertisements that fail to disclose the cost of a call to the advertised service;
- b. advertisements that contain statements that are inconsistent with cost disclosures, including but not limited to statements that callers receive a “free reading” or “free tarot reading,” or that the 900 number provided to callers has been “prepaid;”
- c. advertisements that represent that the service can be reached through a “free call” or that feature toll-free telephone numbers without disclosing in the same advertisement that the service is accessed through 900 numbers;
- d. advertisements in which disclosures about costs or time limits associated with the

advertised service are displayed in relatively small and difficult to read print; or

e. advertisements in which disclosures about costs or time limits associated with the advertised service are displayed only briefly and intermittently.

78. Defendants' practices, as alleged in Paragraph 77, above, therefore, violate Section 308.3 of the 900-Number Rule. 16 C.F.R. § 308.3.

Count Six

79. Once a customer has submitted notice of a billing error, Section 308.7(i)(1) of the 900-Number Rule prohibits the billing entity, providing carrier, vendor, or other agent that receives the notice from directly or indirectly threatening to report, or reporting, adverse information to any person due to the customer's withholding payment of the disputed charge, until that billing entity has met the requirements of Section 308.7(d).

80. Section 308.7(d) requires the billing entity, after conducting a reasonable investigation and within the lesser of two billing cycles or 90 days, to transmit an explanation to the customer setting forth the reasons why the billing entity has determined no billing error has occurred, or that a different billing error occurred from that asserted by the customer. Section 308.7(d) also requires the billing entity to notify the customer that payment of the disputed charge is due within the longer of ten days or as much time as the billing entity normally affords for payment of undisputed charges.

81. In numerous instances, Defendants threaten, directly or indirectly, to report adverse information to third-parties regarding amounts disputed by customers after such customers have submitted notices of billing errors to Defendants, but before Defendants have met the requirements of Section 308.7(d).

82. Defendants' practices, as alleged in Paragraph 81, above, therefore, violate the 900-Number Rule, 16 C.F.R. § 308.7(i)(1).

CONSUMER INJURY

83. Consumers throughout the United States have suffered monetary losses and other injury as a result of Defendants' unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

84. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and other ancillary relief, including consumer redress, disgorgement, and restitution to prevent and remedy any violations of any provision of law enforced by the Commission.

85. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 201(a)(8) of the TDDRA, 15 U.S.C. § 5711(a)(8), authorize this Court to grant such relief as the Court finds necessary to redress injury to consumers or other persons resulting from Defendants' violations of the 900-Number Rule.

86. Under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), this Court is authorized to issue a permanent injunction against Defendants violating the FTC Act, as well as such ancillary relief as rescission of contracts, restitution, disgorgement of ill-gotten gains, and the refund of monies paid to redress the injury to consumers or others resulting from Defendants' violations of Section 5 of the FTC Act.

87. Providers of pay-per-call services are liable for refunds to consumers who paid for services provided in violation of the 900-Number Rule or any other Federal rule or law. Section 201(a)(2)(I) of the TDDRA, 15 U.S.C. § 5711(a)(2)(I) and 16 C.F.R. § 308.5(k). Any billing entity

who fails to comply with 16 C.F.R. §§ 308.7(i) forfeits any right to collect from the customer any amount indicated by the customer to be in error, up to \$50 per transaction. 16 C.F.R. § 308.7(j).

88. This Court, in the exercise of its equitable jurisdiction, may award other ancillary relief to remedy injury caused by Defendants' law violations.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, the Federal Trade Commission, requests that this Court, as authorized by Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and the TDDRA, 15 U.S.C. § 5701 *et seq.*, and pursuant to its own equitable powers:

- (1) Award Plaintiff such preliminary injunctive and other ancillary relief as may be necessary to avert the likelihood to consumer injury during the pendency of this action and to preserve the possibility of effective final relief;
- (2) Permanently enjoin Defendants from violating Section 5 of the FTC Act;
- (3) Permanently enjoin Defendants from violating the 900-Number Rule, 16 C.F.R. Part 308;
- (4) Enter judgment against Defendants and in favor of Plaintiff for each violation alleged in this complaint;
- (5) Award Plaintiff such relief as the Court finds necessary to redress injury to consumers or others resulting from Defendants' violations of the 900-Number Rule, and Section 5 of the FTC Act, including, but not limited to, rescission of contracts, restitution, disgorgement of ill-gotten gains and the refund of monies paid; and
- (6) Award Plaintiff such additional relief as the Court may deem just and proper.

Respectfully submitted,

DATED:

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