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**UNITED STATES DISTRICT COURT  
DISTRICT OF NEVADA**

FEDERAL TRADE COMMISSION,  
  
Plaintiff,  
  
v.  
  
TYME LOCK 2000, INC., a Nevada  
Corporation, doing business as United  
Family Services and USA Membership  
Services;  
TOTAL RESOURCES, INC., a  
Nevada Corporation;  
RUTH R. ADAMS, individually and  
as an officer of Tyme Lock 2000, Inc.;  
and  
STELLA L. AGUILAR, individually  
and as an officer of Total Resources,  
Inc.;  
  
Defendants.

CV-S-02-1078-JCM-RJJ

COMPLAINT FOR  
INJUNCTIVE AND OTHER  
EQUITABLE RELIEF

Plaintiff, the Federal Trade Commission ("FTC" or "the  
Commission"), for its complaint against Tyme Lock 2000, Inc., doing business as

1 United Family Services and USA Membership Services (“Tyme Lock”); Total  
2 Resources, Inc. (“Total Resources”); Ruth R. Adams; and Stella L. Aguilar  
3 (collectively, “defendants”), alleges:

4 1. The FTC brings this action under Sections 13(b) and 19 of the  
5 Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the  
6 Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing  
7 Act”), 15 U.S.C. §§ 6101-6108, to secure preliminary and permanent injunctive  
8 relief, restitution, rescission or reformation of contracts, disgorgement, and other  
9 equitable relief for defendants’ deceptive acts or practices in violation of Section  
10 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC’s Trade Regulation Rule  
11 entitled “Telemarketing Sales Rule” (the “Telemarketing Sales Rule”), 16 C.F.R.  
12 Part 310.

### 13 **JURISDICTION AND VENUE**

14 2. This Court has subject matter jurisdiction pursuant to 15 U.S.C.  
15 §§ 45(a), 53(b), 57b, 6102(c), and 6105(b), and 28 U.S.C. §§ 1331, 1337(a), and  
16 1345.

17 3. Venue in the District of Nevada is proper under 15 U.S.C. § 53(b).

### 18 **PLAINTIFF**

19 4. Plaintiff Federal Trade Commission is an independent agency of the  
20 United States Government created by statute. 15 U.S.C. §§ 41-58, as amended.  
21 The Commission is charged, *inter-alia*, with enforcement of Section 5(a) of the  
22 FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices  
23 in or affecting commerce. The Commission also enforces the Telemarketing Sales  
24 Rule, 16 C.F.R. Part 310, which prohibits deceptive or abusive telemarketing acts  
25 or practices. The Commission is authorized to initiate federal district court  
26 proceedings, by its own attorneys, to enjoin violations of the FTC Act and the  
27 Telemarketing Sales Rule, and to secure such equitable relief as may be  
28 appropriate in each case, including restitution for injured consumers. 15 U.S.C.

1 §§ 53(b), 57b, 6102(c), and 6105(b).

2 **DEFENDANTS**

3 5. Defendant Tyme Lock is a Nevada corporation, with its principal  
4 places of business at 1005 S. Cimarron Rd., Las Vegas, Nevada, and 8170 W.  
5 Sahara Ave., Las Vegas, Nevada. Tyme Lock transacts or has transacted business  
6 in the District of Nevada. Defendant Tyme Lock does or has done business under  
7 the fictitious business names of United Family Services and USA Membership  
8 Services. It uses or has used an address of 8550 W. Charleston, Suite 102, Box  
9 136, Las Vegas, Nevada, which is a private, commercial mailbox address. It also  
10 uses or has used a mailing address of 9101 W. Sahara Ave., #105-A11, Las  
11 Vegas, Nevada, which is a private, commercial mailbox address.

12 6. Defendant Total Resources is a Nevada corporation, with its  
13 principal place of business at 8170 W. Sahara Ave., Las Vegas, Nevada. Total  
14 Resources transacts or has transacted business in the District of Nevada. It uses  
15 or has used a mailing address of 9101 W. Sahara Ave., #105-A11, Las Vegas,  
16 Nevada, which is a private, commercial mailbox address.

17 7. Defendant Ruth R. Adams (“Adams”) is an officer and co-owner, or  
18 has held herself out as an officer and co-owner, of Tyme Lock. At all times  
19 material to this complaint, acting alone or in concert with others, she has  
20 formulated, directed, controlled, or participated in the acts and practices of Tyme  
21 Lock. She is the daughter of defendant Stella L. Aguilar. She transacts or has  
22 transacted business in the District of Nevada.

23 8. Defendant Stella L. Aguilar (“Aguilar”) is an officer and owner, or  
24 has held herself out as an officer and owner, of Total Resources. At all times  
25 material to this complaint, acting alone or in concert with others, she has  
26 formulated, directed, controlled, or participated in the acts and practices of Total  
27 Resources. She is the mother of defendant Adams. She transacts or has  
28 transacted business in the District of Nevada.

1 **COMMERCE**

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

5 **DEFENDANTS' BUSINESS PRACTICES**

6 10. Since at least June 2000, defendants Tyme Lock and Adams, acting  
7 directly or through their employees and agents, have made unsolicited telephone  
8 calls to consumers throughout the country and falsely promised to provide credit  
9 cards to consumers in exchange for an advance fee, ranging from \$122 to \$199.

10 11. Since at least October 2001, defendants Total Resources and Aguilar,  
11 acting directly or through their employees and agents, have made unsolicited  
12 telephone calls to consumers throughout the country and falsely promised to  
13 provide credit cards to consumers in exchange for an advance fee, ranging from  
14 \$162 to \$189.

15 12. Defendants offer to provide consumers with a major, unsecured  
16 credit card, such as a VISA or MasterCard. Defendants represent to consumers  
17 that they are pre-approved for a credit card and assure them that if they pay the  
18 required fee, they will receive the credit card. Defendants also offer to provide  
19 consumers other purported benefits, such as a computer, camera, or cellular  
20 telephone, usually in connection with the offer of a credit card, but sometimes  
21 individually.

22 13. Once a consumer agrees to defendants' offer, defendants request the  
23 consumer's checking account information, including the consumer's name as it  
24 appears on the account and the account number, to pay for the credit card and,  
25 when applicable, other consumer goods.

26 14. Defendants routinely debit the bank accounts of consumers, in  
27 advance of providing those consumers with the credit cards promised during the  
28 telephone calls.

1           15. After debiting the funds from consumers' bank accounts, defendants  
2 do not provide consumers with the promised credit cards, nor do consumers  
3 receive the other items purchased.

4           16. At best, in some instances, defendants provide consumers with a  
5 packet of materials which may contain an application for a credit card from a  
6 separate financial institution and offers for computers or cellular phones which  
7 require the consumer to contract for a specific wireless service (for the cell phone)  
8 or an internet service provider connection (for the computer) for a year or more at  
9 a monthly fee.

10          17. Only then do consumers understand that they are not yet approved to  
11 receive a credit card or additional consumer items, and that they will have to  
12 complete additional applications which must be screened by a bank, Internet  
13 service provider, or cellular telephone carrier based on those companies' own  
14 credit criteria, and may have to pay additional fees to those companies if they are  
15 ultimately approved to receive a credit card or other consumer items.

16          18. Tyme Lock and Total Resources, although separate corporations with  
17 different presidents (who are daughter and mother, respectively), are in reality a  
18 continuing enterprise. At times, they shared the same physical location, the same  
19 maildrop, and some of the same telephone numbers. Some employees have  
20 worked for both companies. Aguilar is handling customer service issues for  
21 Tyme Lock.

22                           **VIOLATIONS OF SECTION 5 OF THE FTC ACT**

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

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

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**COUNT ONE**

21. In numerous instances, in connection with the telemarketing of advance fee credit cards, defendants or their employees or agents have represented, expressly or by implication, that after paying defendants a fee, consumers will, or are highly likely to, receive a major, unsecured credit card, such as a VISA or MasterCard.

22. In truth and in fact, in numerous instances, after paying defendants a fee, consumers do not receive a major, unsecured credit card, such as a VISA or MasterCard.

23. Therefore, the representation set forth in Paragraph 21 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).

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**COUNT TWO**

24. In numerous instances, in connection with the telemarketing of consumer goods such as computers, cellular telephones, and cameras, defendants or their employees or agents have represented, expressly or by implication, that after paying defendants a fee, consumers will, or are highly likely to, receive one or more of such consumer goods.

25. In truth and in fact, in numerous instances, after paying defendants a fee, consumers do not receive consumer goods such as computers, cellular telephones, and cameras.

26. Therefore, the representation set forth in Paragraph 24 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).

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**THE FTC'S TELEMARKETING SALES RULE**

27. The Commission promulgated the Telemarketing Sales Rule pursuant to Section 3(a) of the Telemarketing Act, 15 U.S.C. § 6102(a). The Rule became effective on December 31, 1995.

1           28. The FTC Telemarketing Sales Rule prohibits telemarketers and  
2 sellers from misrepresenting any material aspect of the performance, efficacy,  
3 nature, or central characteristics of goods or services that are the subject of a sales  
4 offer. 16 C.F.R. § 310.3(a)(2)(iii).

5           29. The Telemarketing Sales Rule also prohibits telemarketers and  
6 sellers from, among other things, requesting or receiving payment of any fee or  
7 consideration in advance of obtaining or arranging a loan or other extension of  
8 credit when the seller or telemarketer has guaranteed or represented a high  
9 likelihood of success in obtaining or arranging a loan or other extension of credit.  
10 16 C.F.R. § 310.4(a)(4).

11           30. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C.  
12 § 6102(c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), violations  
13 of the Telemarketing Sales Rule constitute unfair or deceptive acts or practices in  
14 or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C.  
15 § 45(a).

16           31. Defendants are “sellers” or “telemarketers” engaged in  
17 “telemarketing,” as those terms are defined in the FTC Telemarketing Sales Rule.  
18 16 C.F.R. §§ 310.2(r), (t), & (u).

19           **VIOLATIONS OF THE TELEMARKETING SALES RULE**

20           **COUNT THREE**

21           32. In numerous instances, in connection with the telemarketing of  
22 advance fee credit cards, defendants or their employees or agents have  
23 misrepresented, directly or by implication, that after paying defendants a fee;  
24 consumers will, or are highly likely to, receive a major, unsecured credit card,  
25 such as a VISA or MasterCard.

26           33. Defendants have thereby violated Section 310.3(a)(2)(iii) of the  
27 Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(2)(iii).  
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**COUNT FOUR**

34. In numerous instances, in connection with the telemarketing of advance fee credit cards, 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 a major, unsecured credit card, such as a VISA or MasterCard, for such consumers.

35. Defendants have thereby violated Section 310.4(a)(4) of the Telemarketing Sales Rule, 16 C.F.R. § 310.4(a)(4).

**COUNT FIVE**

36. In numerous instances, in connection with the telemarketing of consumer goods such as computers, cellular telephones, and cameras, defendants or their employees or agents have misrepresented, directly or by implication, that after paying defendants a fee, consumers will receive one or more consumer goods such as a computer, cellular telephone, and camera.

37. Defendants have thereby violated Section 310.3(a)(2)(iii) of the Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(2)(iii).

**CONSUMER INJURY**

38. Consumers throughout the United States have suffered, and continue to suffer, substantial monetary loss as a result of defendants' unlawful acts and practices. In addition, defendants have been unjustly enriched as a result of their unlawful acts and practices. Absent injunctive relief, defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public.

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

39. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), authorizes this Court to issue a permanent injunction against defendants' violations of the FTC Act and, in the exercise of its equitable jurisdiction, to order such ancillary relief as temporary and preliminary injunctions, consumer redress, rescission, restitution

1 and disgorgement of profits resulting from defendants' unlawful acts or practices,  
2 and other remedial measures.

3 40. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 6(b) of the  
4 Telemarketing Act, 15 U.S.C. § 6105(b), authorize the Court to grant to the FTC  
5 such relief as the Court finds necessary to redress injury to consumers or other  
6 persons resulting from defendants' violations of the Telemarketing Sales Rule,  
7 including the rescission and reformation of contracts and the refund of money.

8 **PRAYER FOR RELIEF**

9 WHEREFORE, plaintiff Federal Trade Commission, pursuant to Sections  
10 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, Section 6(b) of the  
11 Telemarketing Act, 15 U.S.C. § 6105(b), and the Court's own equitable powers,  
12 requests that the Court:

13 1. Award plaintiff such preliminary injunctive and ancillary relief as  
14 may be necessary to avert the likelihood of consumer injury during the pendency  
15 of this action and to preserve the possibility of effective final relief, including, but  
16 not limited to, temporary and preliminary injunctions, appointment of a receiver,  
17 and an order freezing assets;

18 2. Permanently enjoin defendants from violating the FTC Act and the  
19 Telemarketing Sales Rule, as alleged herein;

20 3. Award such relief as the Court finds necessary to redress injury to  
21 consumers resulting from defendants' violations of the FTC Act and the  
22 Telemarketing Sales Rule, including, but not limited to, rescission or reformation  
23 of contracts, restitution, refund of monies paid, and disgorgement of ill-gotten  
24 monies; and

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