

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

United States Courts
Southern District of Texas
FILED

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Michael N. Milby, Clerk

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

CLINTON R. GREENWELL,
an individual doing business as
The Police Bulletin,
State Police Magazine,
State Police Enforcers Yearbook,
State Police Officers Yearbook,
Firefighters News Journal, and
Creative Publishing,

Defendant.

H-03 - 1553
Civil Action No.

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff, the Federal Trade Commission ("FTC" or "Commission") for its Complaint alleges:

1. The Commission brings this action under § 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), to obtain preliminary and permanent injunctive relief, rescission or reformation of contracts, restitution, disgorgement and other equitable relief for defendant's deceptive acts or practices in violation of § 5(a) of the FTC Act, 15 U.S.C. § 45(a).

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 is proper in the Southern District of Texas under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b).

PLAINTIFF

4. Plaintiff, the Federal Trade Commission, is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-48, as amended. The Commission is charged, *inter alia*, with enforcement of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices affecting commerce. The Commission is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act in order to ensure such equitable relief as is appropriate in each case, including restitution for injured consumers. 15 U.S.C. § 53(b).

DEFENDANT

5. Defendant Clinton R. Greenwell, is an individual doing business as The Police Bulletin, State Police Magazine, State Police Enforcers Yearbook, State Police Officers Yearbook, Firefighters News Journal, and Creative Publishing. His principal place of business is located at 4620 Beechnut St., #102, Houston, Texas 77096. At all times material to this complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices set forth in this complaint. Clinton R. Greenwell resides in and transacts or has transacted business in the Southern District of Texas.

COMMERCE

6. At all times relevant to this complaint, defendant has 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.

DEFENDANT'S BUSINESS ACTIVITIES

7. Since at least October 2000, defendant, using various assumed names, including The Police Bulletin, State Police Magazine, State Police Officers Yearbook, State Police Enforcers Yearbook, Firefighters News Journal, and Creative Publishing, has engaged in a deceptive scheme to solicit and coerce payment from businesses throughout the country for unauthorized advertising to be placed in law enforcement publications he claims to publish and distribute. Defendant often tells businesses that the money they pay for advertising is used for charitable purposes to help law enforcement organizations.

8. Defendant obtains payment by misrepresenting to businesses that the business or a named person at the business has previously agreed to advertise in, or support or contribute to, defendant's publication. Defendant faxes or mails invoices to the businesses demanding immediate payment. These invoices typically state that payment for the advertising is past due, even though the businesses have not agreed to place advertising in defendant's publications. In other instances, defendant telephones businesses that have previously paid for advertising in one publication and misrepresents that the businesses have authorized additional advertising in another publication. Often, defendant telephones businesses and pressures them to pay by misrepresenting that defendant has already incurred the cost of printing in reliance on that business's promise to pay.

9. Defendant often reinforces the misrepresentation that the business has ordered advertising in his publications by using harassment techniques to highlight the obligation and to coerce the business to pay. In numerous instances, defendant sends carriers to collect payments, threatens to take legal action against businesses or threatens to report delinquent business accounts for collection by attorneys and collection agencies.

10. In numerous instances, defendant misrepresents to businesses during solicitation telephone calls that he is a member of a police force or affiliated with a law enforcement organization.

11. In numerous instances, businesses are convinced by defendant's misrepresentations that they have pre-approved the advertisement or that defendant is affiliated with a legitimate law enforcement organization. Consequently, they pay the defendant the money that he has demanded. Defendant's representations have caused individual businesses to pay hundreds of dollars for advertising to the defendant.

COUNT ONE

12. In numerous instances, in connection with the offering for sale and sale of advertisements to businesses, defendant has represented, expressly or by implication, that businesses have authorized advertising to be placed in defendant's publications, and are, therefore, obligated to pay for the advertising.

13. In truth and in fact, in numerous instances, businesses have not authorized advertisements to be placed in defendant's publications, and are, therefore, not obligated to pay for the advertisements.

14. Therefore, defendant's representations set forth in Paragraph 12 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

15. In numerous instances, in connection with the offering for sale and sale of advertisements, defendant has represented to businesses, expressly or by implication, that he is a member of or associated with a police force or law enforcement organization.

16. In truth or in fact, defendant is not a member of or associated with a police force or law enforcement organization.

17. Therefore, defendant's representations set forth in Paragraph 15 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).

CONSUMER INJURY

18. Consumers throughout the United States have suffered or are likely to suffer substantial monetary loss as a result of defendant's unlawful acts or practices. In addition, defendant has been unjustly enriched as a result of his unlawful practices. Absent injunctive relief by this Court, defendant is likely to continue to injure consumers and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

19. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to issue a permanent injunction against defendant's 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, disgorgement of profits resulting from defendant's

unlawful acts or practices, and other remedial measures.

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

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, the Federal Trade Commission, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that this 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) Permanently enjoin defendant from violating the FTC Act as alleged herein;
- (c) Award such relief as the Court finds necessary to redress injury to consumers resulting from defendant's violations of the FTC Act including, but not limited to, rescission or reformation of contracts, 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: 5/6/03

Respectfully Submitted,

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