

FILED

2006 SEP 19 PM 3:28

CLERK US DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

BY RM DEPUTY

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11 *Attorneys for Plaintiff*

12 UNITED STATES DISTRICT COURT  
13 SOUTHERN DISTRICT OF CALIFORNIA

ORIGINAL

14 FEDERAL TRADE COMMISSION,  
15 Plaintiff,

16 v.

17 NEOVI, INC., d/b/a NEOVI DATA  
CORPORATION and QCHEX.COM;

18 G7 PRODUCTIVITY SYSTEMS, INC.,  
d/b/a QCHEX.COM;

19 JAMES M. DANFORTH, individually, and  
20 as an officer of Neovi, Inc. and G7  
Productivity Systems, Inc.; and

21 THOMAS VILLWOCK, individually, and as  
22 an officer of Neovi, Inc.;

23 Defendants.

'06CV 1952

R JMA

CIVIL NO. \_\_\_\_\_

COMPLAINT FOR  
INJUNCTIVE AND OTHER  
EQUITABLE RELIEF

24  
25 Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), for its complaint  
26 alleges as follows:

OR



1 business using the *www.qchex.com* Internet website. Neovi transacts or has transacted business  
2 in this District.

3 6. Defendant G7 Productivity Systems, Inc., d/b/a Qchex.com ("G7") is a California  
4 corporation that does or has done business at 10710 Thornmint Rd., San Diego, California and  
5 10946 Willow Court, Suite 100, San Diego, California. G7 does or has done business using the  
6 *www.qchex.com* Internet website. G7 transacts or has transacted business in this District.

7 7. Defendant James M. Danforth ("Danforth") is the Chief Operations Officer of  
8 Neovi and the Chief Financial Officer of G7. Individually or in concert with others, he has  
9 formulated, directed, controlled, or participated in the acts and practices of Neovi and G7,  
10 including the acts and practices set forth in this complaint, and has done so at all times pertinent  
11 to this action. Danforth resides or has resided in and transacts or has transacted business in this  
12 District.

13 8. Defendant Thomas Villwock ("Villwock") is the Chief Executive Officer of  
14 Neovi. Individually or in concert with others, he has formulated, directed, controlled, or  
15 participated in the acts and practices of Neovi and G7, including the acts and practices set forth  
16 in this complaint, and has done so at all times pertinent to this action. Villwock transacts or has  
17 transacted business in this District.

18 **COMMON ENTERPRISE**

19 9. Corporate defendants Neovi and G7 have operated as a common enterprise while  
20 engaging in the unfair acts and practices alleged below. Individual defendants Villwock and  
21 Danforth have formulated, directed, controlled or had authority to control, or participated in the  
22 acts and practices of the corporate defendants that comprise the common enterprise.

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1 **COMMERCE**

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

5 **DEFENDANTS' BUSINESS PRACTICES**

6 11. Since 2000, in numerous instances, defendants have created and delivered a check  
7 drawn on a bank account identified to defendants by a customer without first verifying the  
8 authority of a customer to draw checks on the identified bank account.

9 12. Defendants operate a website at *www.qchex.com* ("Qchex website") at which  
10 members of the public can access defendants' check creation and delivery services ("Qchex  
11 services") on the Internet. Through the Qchex website, defendants create and deliver checks  
12 ("Qchex checks") drawn on bank accounts identified by their customers.

13 13. To use the Qchex website, a customer establishes a Qchex account by entering his  
14 or her name and email address and creating a password for his or her Qchex account. Once a  
15 customer has established a Qchex account, to create a check drawing on an identified bank  
16 account, the customer need only provide: a name and address for the payer; a name and address  
17 for the bank at which the account is held; the bank routing number and bank account number;  
18 and a starting check number. The customer can then start requesting individual checks by  
19 providing, for each check, the name and address of the payee and the payment amount.

20 14. In the signature line of a Qchex check, defendants place either a digital signature  
21 that the customer provides, the payer's name, or a statement that no signature is required.

22 15. In the past, defendants also placed a bank logo on the check if the customer  
23 submitted one.

24 16. Once a customer has requested that a check be created, defendants offer the  
25 customer two options for delivering the check. If the customer chooses U.S. Mail, defendants  
26

1 print the check on G7-produced security check paper, print the check with G7 magnetic ink, and  
2 use a bank-certified font for the bank routing and account information; and they then mail the  
3 check to the payee. Alternatively, if the customer chooses electronic delivery, defendants create  
4 an electronic image of the check and send it to the payee via email. Qchex recommends that the  
5 payee print the check using special software, paper, and ink sold by G7.

6 17. Defendants collect fees for Qchex services. Until the spring of 2006, defendants  
7 required customers to prepay for Qchex services. When a customer established a Qchex account,  
8 defendants typically charged the customer's credit card or bank account \$10, \$20, \$50 or more to  
9 create a prepayment balance in the customer's Qchex account. Thereafter, each time defendants  
10 created and delivered a check for the customer, the defendants deducted between \$0.25 and \$0.50  
11 from the customer's Qchex account balance. If the defendants printed and mailed the check, they  
12 would also deduct the cost of postage from the balance. During the spring of 2006, defendants  
13 stated that they would create and deliver by email up to 1,000 checks for any customer each  
14 month without requiring any payment. If a customer wanted delivery by U.S. Mail, defendants  
15 stated that the customer had to pay a monthly membership fee for which defendants created and  
16 delivered by U.S. Mail a certain number of checks each month. Since approximately July 3,  
17 2006, defendants have stated that they will charge a monthly membership fee whether a customer  
18 wants checks sent by email or U.S. Mail.

19 18. During their course of business, in numerous instances, defendants have created  
20 and delivered a check for a customer even when the customer's name differed from the name on  
21 the bank account listed on the checks or from the name on the credit card account the customer  
22 used to pay for defendants' services.

23 19. During their course of business, in numerous instances, defendants have created  
24 and delivered a check for a customer even when the customer's mailing address listed in the  
25  
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1 customer's Qchex account profile differed from the mailing address on the bank account listed  
2 on the check or on the credit card account the customer used to pay for defendants' services.

3 20. Before approximately September 5, 2005, defendants created and delivered  
4 checks for any customer who visited the Qchex website without taking any steps to first verify  
5 that customer's authority to draw checks on the bank account the customer identified to  
6 defendants.

7 21. On or about September 5, 2005, defendants began implementing a procedure  
8 purportedly designed to verify the authority of a customer to draw checks on the bank account the  
9 customer identified to defendants. Defendants represented that, before they would create and  
10 deliver checks for a customer, the customer had to demonstrate that he or she had access to the  
11 identified bank account. To allow a customer to make this demonstration, defendants  
12 represented that they would make a small deposit (termed a "micro-deposit") into the identified  
13 bank account and subsequently the customer would confirm the amount of the micro-deposit,  
14 which would show that the customer had access to such information about the identified bank  
15 account.

16 22. Despite defendants' representations that they implemented the procedure  
17 described in paragraph 21, since September 5, 2005, defendants created and delivered checks for  
18 some customers without requiring the micro-deposit procedure described in paragraph 21.

19 23. Sometime during the spring of 2006, defendants represented that they  
20 implemented another purported verification procedure for Qchex customers. Defendants  
21 represented that, before they would create and deliver checks for a customer, the customer was  
22 required to fax, mail, or upload images to Qchex of (a) a voided check from the identified bank  
23 account, and (b) a signed copy of the Qchex terms of service agreement.

24 24. Despite defendants' representations that they implemented the procedure  
25 described in paragraph 23, since the spring of 2006, defendants have created and delivered  
26

1 checks for customers without requiring the voided check verification procedure described in  
2 paragraph 23.

3 25. Since on or about July 3, 2006, defendants have represented that they are  
4 implementing other purported verification procedures for Qchex customers. In some instances,  
5 defendants have represented that, before creating and delivering a check for a customer,  
6 defendants will: (a) mail an authorization code to the mailing address provided by the customer  
7 and require the customer to enter this authorization code on the Qchex website; and (b) create a  
8 check drawn on the identified bank account to pay the fees for Qchex's services and wait for that  
9 check to clear.

10 26. The purported verification procedures described in paragraph 25, if implemented  
11 by defendants, would not provide defendants with verification that the customers have authority  
12 to draw checks on the bank accounts that the customers identify to defendants.

13 **DEFENDANTS' PRACTICES HAVE CAUSED SUBSTANTIAL CONSUMER INJURY**  
14 **THAT CANNOT REASONABLY BE AVOIDED AND IS NOT OUTWEIGHED BY**  
15 **COUNTERVAILING BENEFITS TO CONSUMERS OR TO COMPETITION**

16 27. Defendants have injured individuals and businesses by creating and delivering  
17 checks without first verifying that the customers using the Qchex services have had authority to  
18 draw such checks on the bank accounts that the customers have identified to defendants.  
19 Defendants' actions have resulted in financial losses to victims in several scenarios, including  
20 those described in the following paragraphs.

21 **Persons Whose Bank Accounts Have Been Debited as a Result of**  
22 **Defendants' Creation of Unauthorized Checks**

23 28. In numerous instances, defendants have caused injury to a bank account holder by  
24 causing funds to be debited from the holder's bank account without the account holder's  
25 authorization or knowledge and by causing other related harm such as incurring the costs of  
26 closing accounts, opening new accounts, and ordering new checks.

1 29. In numerous instances, account holders victimized by defendants' creation and  
2 delivery of unauthorized checks have been unable to notify defendants that defendants have  
3 caused unauthorized withdrawals from their bank accounts. In many instances, these account  
4 holders have been unable to lodge complaints because they have not been able to locate a  
5 working telephone number or otherwise contact defendants.

6 30. In some instances, account holders victimized by defendants' creation and  
7 delivery of unauthorized checks have notified or attempted to notify defendants that defendants  
8 have caused unauthorized withdrawals from their bank accounts, but defendants nevertheless  
9 have continued to create and deliver unauthorized checks drawn on those victims' bank accounts.

10 31. When defendants have created and delivered unauthorized checks, the holders of  
11 the accounts on which the checks have been drawn could not reasonably have avoided the injury.  
12 Such account holders have had no relationship with defendants and could not have known that  
13 defendants would create and deliver checks drawn on their bank accounts.

14  
15 **Persons Who Have Accepted As Payment Unauthorized Checks  
Created and Delivered by Defendants**

16 32. Defendants' practices have caused financial losses to individuals and businesses  
17 who have provided goods, services, or funds after accepting as payment Qchex checks that later  
18 proved to be unauthorized and invalid.

19 33. In many instances, individuals and businesses have received unauthorized Qchex  
20 checks and deposited them in their bank accounts. In many instances, unauthorized Qchex  
21 checks initially have cleared the bank accounts upon which they were drawn.

22 34. In numerous instances, after depositing the check, a recipient of an unauthorized  
23 Qchex check sent goods or provided services to a Qchex customer or the customer's associate in  
24 exchange for the apparently genuine, but in fact bogus, check. When the check ultimately has  
25 proved to be unauthorized, the amount of the check already has been debited from the account  
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1 into which the recipient deposited it. In numerous instances, the recipients of these bogus Qchex  
2 checks have not been reimbursed for the losses they incurred.

3 35. In numerous instances, a seller has received payment in the form of a Qchex  
4 check – apparently genuine but in fact, bogus – made out in an amount greater than the purchase  
5 price of the goods or services, and has been asked by the purchaser, a Qchex customer, to wire  
6 the excess amount back to the purchaser or the purchaser's associate. In reliance upon the  
7 unauthorized Qchex check, the seller has wired the money as requested. When the Qchex check  
8 later has proved to be unauthorized, the seller's bank account has been debited to return the  
9 money to the bank account on which the bogus check was drawn. These sellers have been  
10 injured because they incurred the loss of the funds that they wired.

11 36. In numerous instances, Qchex has created and delivered a check at the request of a  
12 customer conducting an employment scheme as follows: The Qchex customer recruits an  
13 unsuspecting individual who becomes an "employee" of the customer. The customer requests  
14 that Qchex create and deliver a check to the employee and instructs the employee to deposit the  
15 Qchex check into his or her account, retain a percentage as the employee's commission, and wire  
16 the remainder to the Qchex customer or the customer's associate. After the employee wires the  
17 funds to the Qchex customer, he or she learns that the Qchex check is worthless, and the amount  
18 of the check is debited from the employee's bank account.

19 37. Individuals and businesses who have accepted as payment checks that defendants  
20 created and delivered that later proved bogus could not reasonably have avoided the injury. Such  
21 individuals and businesses have had no relationship with defendants and they could not have  
22 known that the apparently genuine checks were unauthorized. Defendants have printed the  
23 checks on security paper, have used magnetic ink, have used bank-certified fonts for the bank  
24 routing and account information, have delivered them via U.S. Mail or email, and, in many  
25 instances, the checks initially have cleared the accounts upon which they were drawn. Thus,  
26

1 Qchex checks that appeared to be authentic were in fact bogus and resulted in these individuals  
2 and businesses incurring injury.

3 **Injury Is Not Outweighed by Countervailing Benefits**  
4 **to Consumers or to Competition**

5 38. The injury caused by defendants' practice of creating and delivering checks  
6 without first verifying that the persons requesting the checks have authority to draw checks on  
7 the bank accounts identified to defendants is not outweighed by countervailing benefits to  
8 consumers or to competition.

9 **THE FTC ACT**

10 39. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or deceptive acts  
11 or practices affecting commerce. Under Section 5(n) of the FTC Act, an act or practice is unfair  
12 if it causes or is likely to cause substantial injury to consumers that is not outweighed by  
13 countervailing benefits to consumers or to competition and that is not reasonably avoidable by  
14 consumers. 15 U.S.C. § 45(n).

15 **COUNT ONE**

16 **Unfair Creation and Delivery of Unverified Checks**

17 40. In numerous instances, defendants have created and delivered a check drawn on  
18 an identified bank account without first verifying that the person requesting the check had  
19 authority to draw checks on that bank account. Defendants' actions have caused and are likely to  
20 continue to cause substantial injury to bank account holders and to recipients of unauthorized  
21 checks that cannot reasonably be avoided and is not outweighed by countervailing benefits to  
22 consumers or competition. Therefore, defendants' practices, as described in paragraphs 11-38  
23 above are unfair and violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

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1 **CONSUMER INJURY**

2 41. Defendants' violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), as set  
3 forth above, have caused and will continue to cause substantial injury to consumers. Absent  
4 injunctive relief by this Court, defendants are likely to continue to injure consumers and harm the  
5 public interest.

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

7 42. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant  
8 injunctive and such other relief as the Court may deem appropriate to halt and redress violations  
9 of the FTC Act. The Court, in the exercise of its equitable jurisdiction, may award other  
10 ancillary relief, including, but not limited to, rescission of contracts, restitution, and the  
11 disgorgement of ill-gotten gains, to prevent and remedy injury caused by defendants' law  
12 violations.

13 **PRAYER FOR RELIEF**

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

16 1. Award Plaintiff such preliminary injunctive and ancillary relief as may be  
17 necessary to avert the likelihood of injury during the pendency of this action and to preserve the  
18 possibility of effective final relief, including but not limited to, temporary and preliminary  
19 injunctions;

20 2. Permanently enjoin defendants from violating Section 5(a) of the FTC Act, 15  
21 U.S.C. § 45(a), as alleged in this complaint;

22 3. Award such relief as the Court finds necessary to redress injury to consumers  
23 resulting from defendants' violations of Section 5(a) of the FTC Act, including but not limited to,  
24 rescission of contracts, restitution, and the disgorgement of ill-gotten gains by defendants; and  
25  
26

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

3 Dated: Sept. 18, 2006  
4

5 Respectfully submitted:

6 WILLIAM BLUMENTHAL  
7 General Counsel

8   
9 Deborah Matties  
10 Patricia Pess  
11 Federal Trade Commission  
12 600 Pennsylvania Ave., N.W., H-286  
13 Washington, D.C. 20580  
14 (202) 326-2047; 2314  
15 (202) 326-3395 (fax)

16 John D. Jacobs  
17 Cal. Bar No. 134154  
18 Federal Trade Commission  
19 10877 Wilshire Boulevard  
20 Suite 700  
21 Los Angeles, CA 90024  
22 (310) 824-4360  
23 (310) 824-4380 (fax)

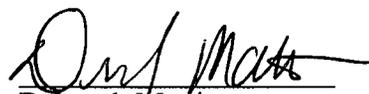
24 Attorneys for Plaintiff  
25  
26

CERTIFICATE OF SERVICE

I, Deborah Matties, hereby certify that I am over 18 years of age, and my business address is Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, DC 20580, and state that I am causing true and correct copies of the Civil Cover Sheet; Complaint for Injunctive and Other Equitable Relief; Summons; Plaintiff's Motion for Temporary Restraining Order with Other Equitable Relief and Order to Show Cause, and Request for Emergency Hearing Withing 24 Hours; Proposed Order Granting Plaintiff's Motion for an Emergency Hearing on Motion for Temporary Restraining Order with Other Equitable Relief and Order to Show Cause; Exhibits in Support of Motion for Temporary Restraining Order, with Other Equitable Relief, and Order to Show Cause (PX1-19); Declaration of Plaintiff's Counsel Deborah Matties; Memorandum of Points and Authorities in Support of the Motion for Temporary Restraining Order with Other Equitable Relief and Order to Show Cause; Proposed Temporary Restraining Order with Other Equitable Relief and Order to Show Cause; Plaintiff's Motion for Leave to File Memorandum in Excess of Twenty-Five Pages; Proposed Order Granting Plaintiff's Motion for Leave to File Memorandum in Excess of Twenty-Five Pages; Pro Hac Vice Applications for Deborah Matties and Patricia Poss; to be served by express mail service on September 18, 2006, for delivery on September 19, 2006, on:

**Attorney for Defendants Neovi, Inc., G7 Productivity Systems, Inc.,  
James M. Danforth, and Thomas Villwock**  
James C. Stevens, Esq.  
402 West Broadway, Suite 400  
San Diego, California 92101

Date: Sept. 18, 2006

  
Deborah Matties

JS44  
(Rev. 07/89)

CIVIL COVER SHEET

sheet. (SEE INSTRUCTIONS ON THE SECOND PAGE OF THIS FORM.)

**FILED**

I (a) PLAINTIFFS

FEDERAL TRADE COMMISSION

DEFENDANTS

Neovi, Inc.; G72006 SEP 19 PM 3:28  
Danforth, James M.; and Villwock, Thomas

(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF (EXCEPT IN U.S. PLAINTIFF CASES)

COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT (IN U.S. PLAINTIFF CASES ONLY)  
SAN DIEGO

CLERK US DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF ANY TRACT OF LAND INVOLVED

(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)

SEE ATTACHED.

ATTORNEYS (IF KNOWN)

06CV 1952 R JMA

II. BASIS OF JURISDICTION (PLACE AN X IN ONE BOX ONLY)

- U.S. Government Plaintiff
  - 3 Federal Question (U.S. Government Not a Party)
  - 2 U.S. Government Defendant
- 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (PLACE AN X IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT (For Diversity Cases Only))

	PT	DEF		PT	DEF
Citizen of This State	<input type="checkbox"/>	<input type="checkbox"/>	Incorporated or Principal Place of Business in This State	<input type="checkbox"/>	<input type="checkbox"/>
Citizen of Another State	<input type="checkbox"/>	<input type="checkbox"/>	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/>	<input type="checkbox"/>
Citizen or Subject of a Foreign Country	<input type="checkbox"/>	<input type="checkbox"/>	Foreign Nation	<input type="checkbox"/>	<input type="checkbox"/>

IV. CAUSE OF ACTION (CITE THE US CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE A BRIEF STATEMENT OF CAUSE. DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY).

15 U.S.C. 45(a) & 53(b) - Alleging violations of the FTC Act.

V. NATURE OF SUIT (PLACE AN X IN ONE BOX ONLY)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<ul style="list-style-type: none"> <li>• 110 Insurance</li> <li>• 120 Marine</li> <li>• 130 Miller Act</li> <li>• 140 Negotiable Instrument</li> <li>• 150 Recovery of Overpayment &amp; Enforcement of Judgment</li> <li>• 151 Medicare Act</li> <li>• 152 Recovery of Defaulted Student Loans (Excl. Veterans)</li> <li>• 153 Recovery of Overpayment of Veterans Benefits</li> <li>• 160 Stockholders Suits</li> <li>• 190 Other Contract</li> <li>• 195 Contract Product Liability</li> </ul>	<ul style="list-style-type: none"> <li>• 310 Airplane</li> <li>• 315 Airplane Product Liability</li> <li>• 320 Assault, Libel &amp; Slander</li> <li>• 330 Federal Employers' Liability</li> <li>• 340 Marine</li> <li>• 345 Marine Product Liability</li> <li>• 350 Motor Vehicle</li> <li>• 355 Motor Vehicle Product Liability</li> <li>• 360 Other Personal Injury</li> </ul>	<ul style="list-style-type: none"> <li>• 362 Personal Injury-Medical Malpractice</li> <li>• 365 Personal Injury - Product Liability</li> <li>• 368 Asbestos Personal Injury Product Liability</li> <li>• 370 Other Fraud</li> <li>• 371 Truth in Lending</li> <li>• 380 Other Personal Property Damage</li> <li>• 385 Property Damage Product Liability</li> </ul>	<ul style="list-style-type: none"> <li>• 610 Agriculture</li> <li>• 620 Other Food &amp; Drug</li> <li>• 625 Drug Related Seizure of Property 21 USC881</li> <li>• 630 Liquor Laws</li> <li>• 640 RR &amp; Truck</li> <li>• 650 Airline Regs</li> <li>• 660 Occupational Safety/Health</li> <li>• 690 Other</li> </ul>	<ul style="list-style-type: none"> <li>• 422 Appeal 28 USC 158</li> <li>• 423 Withdrawal 28 USC 157</li> <li>• 820 Copyrights</li> <li>• 830 Patent</li> <li>• 840 Trademark</li> <li>• 861 HIA (13958)</li> <li>• 862 Black Lung (923)</li> <li>• 863 DIWC/DIWW (405(g))</li> <li>• 864 SSID Title XVI</li> <li>• 865 RSI (405(e))</li> <li>• 870 Taxes (U.S. Plaintiff or Defendant)</li> <li>• 871 IRS - Third Party 26 USC 7609</li> </ul>	<ul style="list-style-type: none"> <li>• 400 State Reappointment</li> <li>• 410 Antitrust</li> <li>• 430 Banks and Banking</li> <li>• 450 Commerce/ICC Rates/etc.</li> <li>• 460 Deportation</li> <li>• 470 Racketeer Influenced and Corrupt Organizations</li> <li>• 810 Selective Service</li> <li>• 850 Securities/Commodities Exchange</li> <li>• 875 Customer Challenge 12 USC</li> <li>• 891 Agricultural Acts</li> <li>• 892 Economic Stabilization Act</li> <li>• 893 Environmental Matters</li> <li>• 894 Energy Allocation Act</li> <li>• 895 Freedom of Information Act</li> <li>• 900 Appeal of Fee Determination Under Equal Access to Justice</li> <li>• 950 Constitutionality of State</li> <li>• 990 Other Statutory Actions</li> </ul>
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS	LABOR	FEDERAL TAX SUITS	
<ul style="list-style-type: none"> <li>• 210 Land Condemnation</li> <li>• 220 Foreclosure</li> <li>• 230 Rent Lease &amp; Eiectmant</li> <li>• 240 Tort to Land</li> <li>• 245 Tort Product Liability</li> <li>• 290 All Other Real Property</li> </ul>	<ul style="list-style-type: none"> <li>• 441 Voting</li> <li>• 442 Employment</li> <li>• 443 Housing/Accommodations</li> <li>• 444 Welfare</li> <li>• 440 Other Civil Rights</li> </ul>	<ul style="list-style-type: none"> <li>• 510 Motions to Vacate Sentence Habeas Corpus</li> <li>• 530 General</li> <li>• 535 Death Penalty</li> <li>• 540 Mandamus &amp; Other</li> <li>• 550 Civil Rights</li> <li>• 555 Prisoner Conditions</li> </ul>	<ul style="list-style-type: none"> <li>• 710 Fair Labor Standards Act</li> <li>• 720 Labor/Mgmt. Relations</li> <li>• 730 Labor/Mgmt. Reporting &amp; Disclosure Act</li> <li>• 740 Railway Labor Act</li> <li>• 790 Other Labor Litigation</li> <li>• 791 Empl. Ret. Inc. Security Act</li> </ul>	<ul style="list-style-type: none"> <li>• 870 Taxes (U.S. Plaintiff or Defendant)</li> <li>• 871 IRS - Third Party 26 USC 7609</li> </ul>	

VI. ORIGIN (PLACE AN X IN ONE BOX ONLY)

- Original Proceeding
- 2 Removal from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from another district (specify)
- 6 Multidistrict Litigation
- 7 Appeal to District Judge from Magistrate Judgment

VII. REQUESTED IN COMPLAINT:

• CHECK IF THIS IS A CLASS ACTION UNDER f.r.c.p. 23

DEMAND \$  
Injunctive Relief

Check YES only if demanded in complaint:  
JURY DEMAND: • YES  NO

VIII. RELATED CASE(S) IF ANY (See Instructions):

JUDGE

Docket Number

DATE Sept. 18, 2006

SIGNATURE OF ATTORNEY OF RECORD

*[Signature]*

**ORIGINAL**

CIVIL COVER SHEET - ATTACHMENT

*Federal Trade Commission v. Neovi, Inc. d/b/a Neovi Data Corporation and Qchex.com*

ATTORNEYS FOR PLAINTIFF

Deborah Matties  
Patricia Poss  
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