



07-CV-01755-CMP

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OCT 7 2007

AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

B.C. LTD. 0763496, d.b.a. CASH CORNER
SERVICES, INC.;
B.C. LTD. 0685573, d.b.a. FAMILY
CHOICE STORE, INC.;
ODOWA ROLAND OKUOMOSE,
individually and as a director of Cash Corner
Services, Inc., and Family Choice Store, Inc.;
and
EVELYN OKUOMOSE, individually and as
a director of Family Choice Store, Inc.,

Defendants.

Civil No. **C 07-1755** Rsm

COMPLAINT FOR INJUNCTIVE
AND OTHER EQUITABLE
RELIEF

[FILED UNDER SEAL]

Plaintiff, the Federal Trade Commission ("FTC"), 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 Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. §§ 6101-6108, to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, disgorgement of ill-gotten gains, and other equitable relief against

1 defendants for acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a),
2 and in violation of the FTC's Telemarketing Sales Rule ("TSR"), 16 C.F.R. Part 310.

3 **JURISDICTION AND VENUE**

4 2. Subject matter jurisdiction is conferred upon this Court by 15 U.S.C. §§ 45(a),
5 53(b), 57b, 6102(c), and 6105(b), as well as 28 U.S.C. §§ 1331, 1337(a), and 1345.

6 3. Venue in the Western District of Washington is proper under 15 U.S.C. §§ 53(b)
7 and 6103(a), as well as 28 U.S.C. § 1391(d).

8 **PLAINTIFF**

9 4. Plaintiff Federal Trade Commission is an independent agency of the United
10 States Government created by statute. 15 U.S.C. § 41 *et seq.* The FTC is charged, *inter alia*,
11 with enforcement of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair and
12 deceptive acts or practices in or affecting commerce. The FTC is also charged with enforcement
13 of the Telemarketing Act, 15 U.S.C. §§ 6101-6108. Pursuant to the Telemarketing Act, the
14 FTC enforces the TSR, 16 C.F.R. Part 310, which prohibits deceptive and abusive telemarketing
15 acts or practices. The FTC is authorized to initiate federal district court proceedings in its own
16 name by its designated attorneys to enjoin violations of the FTC Act and the TSR to secure
17 appropriate equitable relief, including redress, restitution, and disgorgement.

18 **DEFENDANTS**

19 ***Primary Defendants***

20 5. Defendant B.C. Ltd. 0763496, d.b.a. Cash Corner Services, Inc. ("Cash Corner"),
21 is a registered corporation under the laws of British Columbia, Canada. Its registered place of
22 business is 211-2571 Shaughnessy Street, Port Coquitlam, British Columbia. Cash Corner
23 claims that it provides, among other things, check cashing, phone cards, and electronic money
24 transfers. With respect to its money transferring services, Cash Corner is a registered
25 MoneyGram agent, and previously was a registered Western Union agent. Cash Corner
26 transacts business in this district and throughout the United States.

27 6. Defendant Odowa Roland Okuomose ("Okuomose") is the director of Cash
28 Corner. Okuomose is also a director of defendant B.C. Ltd. 0685573, d.b.a. Family Choice

1 Store, Inc. ("Family Choice"). At all times material to this complaint, acting alone or in concert
2 with others, he has formulated, directed, controlled, or participated in the acts and practices of
3 Cash Corner and Family Choice, including the acts and practices set forth in this complaint.
4 Okuomose transacts business in this district and throughout the United States.

5 ***Assisting Defendants***

6 7. Defendant B.C. Ltd. 0685573, d.b.a. Family Choice Store, Inc., is a registered
7 corporation under the laws of British Columbia. Its registered place of business is 10707 King
8 George Highway, Surrey, British Columbia. Family Choice promotes itself as a hair salon. In
9 providing substantial assistance or support to Primary Defendants Cash Corner and Okuomose,
10 Family Choice transacts business in this district and throughout the United States.

11 8. Defendant Evelyn Okuomose ("Evelyn Okuomose") is a director of Family
12 Choice. At all times material to this complaint, acting alone or in concert with others, she has
13 formulated, directed, controlled, or participated in the acts and practices of Family Choice,
14 including the acts and practices set forth in this complaint. In providing substantial assistance or
15 support to Primary Defendants Cash Corner and Okuomose, Evelyn Okuomose transacts
16 business in this district and throughout the United States.

17 **COMMERCE**

18 9. At all times relevant to this complaint, defendants have maintained a substantial
19 course of business in or affecting commerce, as "commerce" is defined in Section 4 of the FTC
20 Act, 15 U.S.C. § 45.

21 **DEFENDANTS' BUSINESS PRACTICES**

22 10. Since at least July 2006, Primary Defendants Okuomose and Cash Corner,
23 directly or through their agents, have engaged in a deceptive scheme to induce consumers in the
24 United States to pay thousands of dollars to Primary Defendants in connection with a purported
25 lottery, prize promotion, or other game of chance.

26 11. Using a variety of purported lottery or sweepstakes names – including
27 "California State Lottery," "North Star Cash Lottery," and "Blueprint International" – Primary
28 Defendants or their agents have sent consumers letters congratulating them on winning a

1 substantial lottery or sweepstakes prize, ranging from \$250,000 to \$750,000. Along with the
2 letters, consumers receive what purport to be post-dated checks, ranging from \$2,500-\$3,800,
3 ostensibly drawn on accounts at legitimate banks, including but not limited to Enterprise Bank,
4 American First National Bank, and Key Bank.

5 12. The letter states that the check is being sent to help consumers pay for
6 "insurance, delivery and administration fees," "government clearance fees," taxes, or other fees
7 that the consumer must pay before he or she can receive the promised prize. The sum to be paid
8 typically ranges between one thousand and several thousand dollars -- usually less than the total
9 amount of the check. The letter provides a telephone number and directs the consumer to call a
10 "claims manager," "investment manager," or other named individual to arrange payment and
11 start the claims process for the consumer's winnings.

12 13. Some letters warn consumers that if they do not respond within the required time
13 frame -- often ten days from receipt of the letter -- their file will be closed and all funds will be
14 forfeited. The letters further advise consumers to keep the award "absolutely confidential."

15 14. When consumers call the telephone number provided, Primary Defendants or
16 their telemarketers reiterate that the consumer has won a substantial lottery or similar prize, and
17 that the check is intended to defray the cost of the fees or taxes the consumer must pay before
18 receiving his or her winnings. Primary Defendants or their telemarketers instruct consumers to
19 deposit the check and then transfer payment for the fees or taxes through MoneyGram to a
20 specific individual at a particular address. While Primary Defendants or their telemarketers
21 provide consumers with different named individuals to whom payment is to be sent, the
22 payments are all routed to Cash Corner and are ultimately deposited into the bank accounts of
23 the Primary and Assisting Defendants. In some instances, Primary Defendants or their
24 telemarketers initiate follow-up contact with consumers and request and receive additional
25 payments.

26 15. Primary Defendants or their telemarketers also cold-call consumers claiming they
27 have won a multi-million dollar cash prize in a lottery or prize contest. Primary Defendants or
28 their telemarketers tell consumers that they must first pay insurance or other fees in order to

1 collect their prize, and instruct consumers to pay by mailing cashier's checks or international
2 money orders to a particular mail box drop in Burnaby, B.C. Primary Defendants or their
3 telemarketing agents sometimes provide consumers with different names of individuals to
4 whom payment should be made. At other times, they direct consumers to leave the "pay to"
5 section of the money orders blank. Regardless, the payments are ultimately deposited into the
6 Primary and Assisting Defendants' bank accounts. In some instances, Primary Defendants or
7 their telemarketers initiate follow-up contact with consumers and request and receive additional
8 payments. In at least several instances, consumers have paid over \$10,000 to receive their prize.

9 16. Consumers who transmit payment by MoneyGram or by mail, as instructed by
10 Primary Defendants or their telemarketers, do not receive any prize winnings. In addition, those
11 who deposit the checks they received later learn that those checks are counterfeit. Consumers
12 therefore lose the money they have paid, along with MoneyGram transmittal fees and bank fees
13 associated with depositing a counterfeit check.

14 17. Although Primary Defendants lease business space for Cash Corner in Port
15 Coquitlam, Primary Defendants or their agents operate mainly out of Assisting Defendants'
16 Family Choice hair salon located in Surrey, B.C., with Assisting Defendants' knowledge and
17 acquiescence. Primary defendant Roland Okuomose and his wife, assisting defendant Evelyn
18 Okuomose, are the sole directors of Family Choice and both are signatories on the Family
19 Choice bank account. Primary Defendants also deposit a significant amount of funds received
20 from consumers in connection with the scheme into the Family Choice bank account with
21 Assisting Defendants' knowledge and acquiescence.

22 VIOLATIONS OF THE FTC ACT

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

25 COUNT ONE

26 19. In numerous instances, in connection with telemarketing a lottery, prize
27 promotion, or other game of chance, Primary Defendants have represented, expressly or by
28

1 implication, directly or through their agents, that consumers have won and will receive a large
2 cash award if they pay a tax or other fee.

3 20. In truth and in fact, consumers have not won a large cash award and those who
4 pay the requested tax or fee do not receive a large cash award.

5 21. Therefore, the representations set forth in paragraph 19 above are false and
6 misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act.
7 15 U.S.C. § 45(a).

8 **COUNT TWO**

9 22. In numerous instances, in connection with telemarketing a lottery, prize
10 promotion, or other game of chance, Primary Defendants have represented, expressly or by
11 implication, directly or through their agents, that the check consumers receive is a negotiable
12 bank draft or check.

13 23. In truth and in fact, the check consumers receive is not a negotiable bank draft or
14 check.

15 24. Therefore, the representation set forth in paragraph 22 above is false and
16 misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC
17 Act. 15 U.S.C. § 45(a).

18 **VIOLATIONS OF THE TELEMARKETING SALES RULE**

19 25. Congress directed the Federal Trade Commission to prescribe rules prohibiting
20 abusive and deceptive telemarketing acts or practices pursuant to the Telemarketing Act. 15
21 U.S.C. §§ 6101-6108. On August 16, 1995, the FTC promulgated the TSR, 16 C.F.R. Part 310,
22 and has subsequently amended it.

23 26. The Primary Defendants are "sellers" or "telemarketers" engaged in the
24 "telemarketing" of "prize promotions" as those terms are defined in the TSR. 16 C.F.R. §
25 310.2(z), (bb), (cc), and (y).

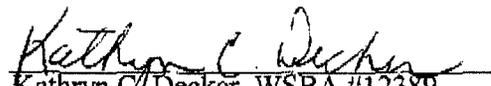
1 4. Award Plaintiff the costs of bringing this action, as well as such other and
2 additional equitable relief as the Court may determine to be just and proper.
3

4 Dated: October 31 _____, 2007
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6 Respectfully Submitted,

7 WILLIAM BLUMENTHAL
8 General Counsel

9 CHARLES A. HARWOOD
10 Regional Director

11 

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